

# INTERNATIONAL Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

The World's Daily Newspaper

\*\* R

London, Monday, April 12, 1999

No. 36,113

*Confronting Change*

## Image vs. Substance In Asia's Recovery

By John Vinocur  
*International Herald Tribune*

**TOKYO** — Beyond the reports of bottoming-outs, the dawn-sightings, the flickering stock rallies and the micro up-ticks in the indices of despair, Asia trades on in its economic crisis.

It is hard to get better soon, all at once, because this is no cyclical contempts, no repair-it-while-you-wait disruption, but a crisis of society in which strong, energetic and democratic places like Japan, South Korea, Hong Kong and Thailand are faced with redefining their habits, destiny and identities.

Almost everywhere, bits of determined good news are present, glinting like handfuls of small change. The Bank of Japan shifts its vocabulary so that its description of the economy

misdirected your capital — now change.

Restructuring in Asia can appear willfully hesitant because it means deep disruption: replacing an old economic order with a more merit-based system rich in risk for individuals and scarce on promises for their longtime security. The message comes from outside and says that individuals and companies will be less insulated from difficulties and will be required to face new responsibilities. For managers and politicians, this is a tough sell.

In fact, Asia's continuing uncertainty is sometimes intensified by public-relations routines and gesture-managements developed in response to the crisis, that flash the image of change but flee the substance — decisions that mean business closings, additional layoffs and banishing old elites.

The psychological implications of the crisis are vast. With the exception of government politicians in South Korea, the reality is that no wave of enthusiasm has greated the opportunity for change.

Rather, Asians have been told that their systems, which mixed notions of lifetime employment and a business philosophy more based on growth than return on capital, cannot keep up with Western capitalism. The Asians are hearing that they must play by tougher lending rules and with priorities that stop at the bottom of the balance sheet. The West says the inconvenient, men-without-work phase is supposed to be brief.

A strong indication of the potential for resentment contained in the restructuring process came Sunday with the victory of a nationalist candidate, Shintaro Ishihara, in the election for *See ASIA, Page 4*

First of two articles.

moves over a month from "moderated" deterioration to the appearance of a halt in decline. A government spokesman in Hong Kong actually insists his city has a big future in a coming Chinese herald medicine boom. In Thailand, tourism bips up.

But there are legitimate doubts about how much Asia is willing to confront change.

A year and a half after the financial implosion in Asia began in the summer of 1997, there is no certainty that individual countries and economies have wholly embraced a restructuring process (largely based on the mold of modern, American capitalism) whose inherent message to Asians is that: whatever your resilience and hard work, your model was wrong, your companies and banks squandered or

## Trade Pact Isn't Derailed, U.S. and Beijing Insist

### But Many Say That Momentum Has Been Lost

By David E. Sanger  
*New York Times Service*

**WASHINGTON** — On a bitterly cold day in Beijing in early January, Alan Greenspan, the chairman of the Federal Reserve, was given a startling message by Zhu Rongji, the Chinese prime minister who was remaking the country's economy.

Despite China's economic slowdown, Mr. Zhu said, he had decided that China was finally ready to offer huge openings of its markets — in telecommunications, banking, insurance and agriculture — in return for getting the country into the World Trade Organization.

He offered some tantalizing details, apparently hoping that Mr. Greenspan — whose own portfolio has nothing to do with trade — would make sure that the right people in Washington got the message.

They did, and over the next three months the two sides made enormous progress, resolving 95 percent of the issues that had divided them for years.

But in the end, President Bill Clinton, the man who has repeatedly made commercial diplomacy the centerpiece of his foreign policy, backed away. Distracted by Kosovo, he did not let his trade negotiators know how badly he wanted a deal, officials close to the talks said, nor did he make a strong public case for what would have been the biggest economic deal in Chinese-American relations until Mr. Zhu arrived in the United States last week.

Some of his top foreign-policy aides, led by the national security adviser, Samuel (Sandy) Berger, hoped for an agreement that would bolster Mr. Zhu, whom they see as China's leading force for openness and reform.

At a recent meeting, some State Department and trade officials argued that China had moved as far as it could and that the president should accept the deal that was on the table.

But one official said that there was "a

sense it won't quite do it" with a Congress that is increasingly suspicious of China's intentions. Others expressed fears that any deal involving China would further divide Democrats, erode labor unions and end up in a huge battle on Capitol Hill that the president would probably lose.

Moreover, some argued, the congressional battle would itself create a rallying cry for Republicans seeking an outlet to debate charges that China has stolen nuclear secrets and secretly made illegal donations to Democratic Party coffers.

In a major speech about China delivered the morning before his meeting with Mr. Zhu last week, the president

*See CHINA, Page 17*

## AGENDA

### Nationalist Voted Tokyo Governor

Shintaro Ishihara, a writer known for his opposition to the U.S. military presence in Japan, won the closely watched Tokyo gubernatorial election Sunday, defeating the governing Liberal Democratic Party's candidate and 17 other rivals with nearly 30 percent of the vote. *Page 4*

### Ignoring Appeals, India Tests Missile

India tested an upgraded version of its intermediate-range missile Sunday, defying international appeals to put its nuclear program on hold. As a result of the test, "Nobody from anywhere can dare to threaten us," New Delhi said. *Page 5*

### Japan Takes Bank

In a move that could signal a stepped-up effort to get Japan's banking system under control, financial regulators declared a debt-ridden regional bank insolvent Sunday and put it under government control. *Page 15*

Books ..... Page 11  
Crossword ..... Page 11  
Opinion ..... Page 10  
The Intermarket ..... Page 7  
The IHT on-line ..... www.iht.com

15

Newstand Prices	
Bahrain	1,000 BD. Malta
Cyprus	£ 2.00 Nigeria
Denmark	17 DK Oman
Finland	12.00 PM Qatar
Gibraltar	£ 0.85 Rep. Ireland
Great Britain	£ 1.00 Saudi Arabia
Egypt	SE 5.50 S. Africa
Iordan	£ 1.00 R. 16 U.S. M.
Kuwait	1,250 JD U.A.E.
Korea	Rs. 160 U.S. M.
Malta	£ 1.20
Zimbabwe	700 Fils
U.S. M.	2m \$4,00

9 770294 805117

\*\* R

London, Monday, April 12, 1999

No. 36,113

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

## NATO Sending 8,000 to Aid Refugees

Refugees from Kosovo, confined in a camp at Brazde, Macedonia, peering Sunday at the outside world. Pavel Kopcevski/Reuters

## Albanians Set To Turn Over Vital Facilities For Operation

By Joseph Fitchett  
*International Herald Tribune*

**PARIS** — NATO countries approved plans on Sunday for a humanitarian mission to Albania to help a flood of Kosovo refugees displaced by Serbian forces. The mission will involve 8,000 allied troops, including Americans.

Albania announced that it was turning over control of its airports and ports, including military facilities, to the alliance for this purpose.

The relief operation, the first purely humanitarian venture undertaken by NATO in its 50-year history, was part of an international bid to help the impoverished country cope with 300,000 ethnic Albanians, the largest group of people displaced from Kosovo to reach another country.

On Saturday night, several thousand Kosovo refugees streamed into northern

More on Kosovo, Pages 8 and 9.

Albania after Yugoslavia reopened its main border crossing and carried out another wave of expulsions.

It is a huge influx for Albania, a country of 3.5 million with one of Europe's least developed economies, with poor roads and where relief facilities have to be built from nothing and help is needed in organizing and overseeing distribution of food and help.

The NATO units will be operating alongside U.S. and other units preparing facilities for Apache ground-attack helicopters and specialized air-defense units that will operate from Albania against the Serbian forces.

Albania repeated Sunday that it was ready to accept forces on its territory from NATO despite warnings by Belgrade.

But officials of NATO governments stressed that the Albanian operation, code-named Operation Allied Harbor, was not designed as a spearhead for some future ground offensive in Kosovo.

After nearly three weeks of bombing, NATO was still adamant that the air war, given enough time, could bring victory in Kosovo without any need for ground forces, whose use is deemed politically risky by Western leaders.

"The alliance is agreed on pursuing the air war for a long time — meaning weeks, not days, if necessary — and there is no intention now to send in forces on the ground," a U.S. official said.

NATO air raids reportedly were light over the Orthodox Easter weekend because bad weather, including snow in Kosovo, prevented three sorties out of 10 from firing missiles.

But the Serbian news agency reported that nearly 50 missiles fell close to Pristina, the regional capital, and a French news agency reporter who visited the scene said that NATO bombs had heavily damaged the main Pristina airport, cratering runways and demolishing the airport building.

The Yugoslav press agency Tanjug reported Sunday night that a NATO missile had hit a residential area in the center of Novi Sad, Yugoslavia's second biggest city.

A strong sense of local urgency was apparent in the Albanian announcement, which went beyond requests to be admitted to NATO earlier in the Kosovo fighting.

On Sunday, Foreign Minister Paskal Milo said that his government had "now decided to give NATO the rights to control all our air spaces, ports and any other kind of military infrastructure in Albania."

Albania has no military facilities or forces to speak of, so the allies' work there will involve construction of air

See ALLIANCE, Page 8

Patriarch Pavle, the head of the Serbian Orthodox Church, celebrating the Orthodox Easter. Darko Vojinovic/The Associated Press

## Kosovo War Clouds NATO's Fete

### Conflict in Balkans Will Overshadow Alliance's 50th Anniversary

By Tim Weiner  
*New York Times Service*

**WASHINGTON** — In two weeks, the largest summit meeting in American history will take place here. Presidents, prime ministers, soldiers and statesmen from 42 nations will gather to honor the 50th anniversary of the North Atlantic Treaty Organization.

But the guests in their white ties and gowns may still be involved in a war in the Balkans, casting a pall over what was to have been a celebration.

Images of shattered towns and burning buildings will be fresh in the world's mind as the glasses clink at the White House, toasts are exchanged and President Bill Clinton proclaims a new "strategic concept" for NATO.

The ethnic Albanians of Kosovo will be "the uninvited guests at the summit," said Richard Haas, director of the Brookings Institution, and the specter of hungry and homeless refugees could haunt the glittering state dinners.

Preparations are proceeding apace. Predicting that limousines ferrying 1,700 foreign leaders and their entourages will choke the streets, the government has told 90,000 federal workers to stay home, the better to speed the Lincolns and

Cadillacs from gala to gala. But no one can stop an apparently imminent collision of pomp and war.

Some U.S. officials saw this excruciatingly awkward moment coming.

"Come late April, we could be debating the fine points of a new strategic concept while Europe faces a new humanitarian disaster, a new flood of refugees and the fourth Balkan war of this century," Deputy Secretary of State Strobe Talbott said at an international security conference in London last month.

Mr. Talbott predicted that if war came to Kosovo, it would "cast a pall" not only over the Washington summit meeting but also over world leaders' hopes "to fulfill the objectives they will set for themselves at the summit."

The "pall" has already been cast. The summit meeting now looks like "an unpleasant and inauspicious 50th anniversary," said Charles Kupchan, a former senior European affairs officer on the National Security Council.

"What was supposed to be a celebratory, self-congratulatory feast may look more like a wake, and people have to stare that in the face," said Mr. Kupchan, now a professor at

See KOSOVO, Page 8

## 'Transmigration' Haunts Indonesia

By Keith B. Richburg  
*Washington Post Service*

**JAKARTA** — While much of the Western world's attention has been focused on the plight of the ethnic Albanians of Kosovo, some outlying parts of Indonesia have been similarly convulsed by a forced relocation that has left hundreds dead and tens of thousands displaced in the last few weeks.

Unlike in Yugoslavia, where the campaign to drive ethnic Albanians out of Kosovo appears to have been systematic and orchestrated by the army and security forces there, the violence in Indonesia has been largely spontaneous, often triggered by minor incidents that grow into full-scale ethnic rioting. Here,

the military has arrived too late to stop the slaughter, and then further inflamed passions by firing upon large crowds.

There is little that is sophisticated about Indonesia's violence. The perpetrators have been armed with swords and sharpened sticks, spears and homemade guns, and sometimes bows and arrows. On Borneo Island, where indigenous Dayak and Malay people have clashed with migrants from Madura, some victims have been decapitated, their heads displayed on poles.

"This is something we just cannot

Bishop Carlos Belo urging calm Sunday in troubled East Timor. Associated Press



## THE AMERICAS

## Dole Strategy Aims to Capitalize, but Not Rely, on Gender

By Ceci Connolly  
*Washington Post Service*

SHIPPENSBURG, Pennsylvania — The first thing people notice about Elizabeth Dole is that she is a she.

It is a distinction this presidential candidate-to-be often highlights. At a recent appearance at Shippensburg University here, Mrs. Dole faced a 45-minute address with tales of womanhood. Like the day in 1970 when, as an aide to President Richard Nixon, she tried in vain to get into the Metropolitan Club in Washington for an important business meeting.

"Lady," Mrs. Dole remembered the doorman saying, "I don't care if your name is Queen Elizabeth; you're not coming in." Today, Mrs. Dole noted to heavy applause, women can enter that club.

From her appearance (painted nails, high heels and pearl chokers) to her rhetoric ("What does a woman like me have to offer the country?"), Mrs. Dole is

capitalizing on her most obvious asset: She is the only woman in a Republican line-up that currently includes nine men.

With the weight of history upon her as the first truly viable female presidential candidate, she is taking a calculated risk: attempting to craft a political persona that exploits the advantages of her gender but does not rely solely on it to woo voters. If the strategy succeeds, Mrs. Dole's supporters say they believe she could be the first national Republican candidate since the 1970s to put a dent in the huge "gender gap" that has historically cost Republicans crucial elections.

"To Democrats she is terrifying,"

said a Democratic consultant, Dane Strother, who has successfully run women's races in the South. "She begins ahead of the pack. When she talks about education or health care she has more credibility than a white guy in a suit."

But it is a delicate balancing act. If

Mrs. Dole is to win over the largely

conservative base that votes in Republican primaries, she runs the risk of offending the moderate and independent women her aides say give her an edge.

"There is a huge opportunity there for bridging the gender gap," said a Republican pollster, Tony Fabrizio. "Meeting the challenge of that opportunity is kind of tricky. The question is can you make it through the primaries without alienating those swing female voters who may be looking for a reason to vote for you?"

She has been a trailblazer for women — Harvard Law School, two cabinet positions, president of the American Red Cross — yet some professional women scoff at her sweet-as-molasses approach to serious matters. For every fan of Mrs. Dole's carefully choreographed appearances, others complain that the country is not electing a talk-show host; for every voter drawn to her well-articulated views on such issues as education, others

express reservations about putting a

woman in the White House.

In a telephone interview last week, Mrs. Dole played down the role of gender in her possible candidacy. "I'm not running because I'm a woman, and I don't expect people to vote for me because I'm a woman," she said. But Mrs. Dole also described taking over the

"male bastion" at the Transportation Department in 1983 as bringing more women into the ranks: "Trying to help women fulfill their potential has been important to me in all positions of government."

Since Ronald Reagan's election to the presidency in 1980, Republicans have seen their support among women steadily decline. The reasons are myriad, though

pollsters attribute much of the gender gap to the Democrats' ability to speak credibly on issues women care deeply about.

President Bill Clinton has women to thank for his second term. Exit polls from the 1996 election show Mr. Clinton lost the men's vote to the Republican

candidate, Bob Dole. Mrs. Dole's husband, 44 percent to 43 percent. But that margin was eclipsed by Mr. Clinton's 16-point lead among women.

This time around, Republican consultants say "the other Dole" could turn that gender gap around. "The impact of a possible Dole presidency on women is profound," said her campaign spokesman, Ari Fleischer. "Elizabeth Dole talks about it and women respond to it."

Her campaign people think "younger women, professional women, moderates and suburban voters" are more likely to support her.

But her heavily scripted style could do her particular damage among such women, said Andrew Kohut, director of the Pew Research Center. "She can't come across as an entirely programmed and canned if she's going to do well, particularly among women who like candidates who reach out to them on a personal level."

## POLITICAL NOTES

## Pentagon Seeks Support on NATO

WASHINGTON — Defense Secretary William Cohen said Sunday that the White House would seek a Gulf War-type resolution from Congress this week in support of the NATO mission in Kosovo.

"I think a resolution coming from both houses of Congress in support of carrying out this campaign to a successful conclusion would be very beneficial," Mr. Cohen said on the ABC News program "This Week."

In January 1991 the U.S. Congress narrowly approved a resolution authorizing President George Bush to use U.S. military forces to help drive Iraq out of Kuwait.

Congress is set to return on Monday from a two-week recess to launch a full-scale debate on the U.S. role in North Atlantic Treaty Organization's military campaign in the Balkans. (Reuters)

## Tobacco-Fund Spat

ALBANY, New York — A court fight over New York's share of the national tobacco settlement threatens to delay distribution of the money for all 46 of the states involved, lawyers and advocates involved in the settlement say.

Tobacco companies agreed last year to pay the states \$206 billion over 25 years to cover costs of treating tobacco-related illness. But no money can flow until most of the states, as defined by a mathematical formula, have had plans for its distribution approved by state courts.

Dennis Vacco, New York's attorney general, decided last year that the state would keep 51 percent of New York's \$25 billion allocation, with the rest split between New York City and counties outside the city. New York City would receive \$6.7 billion, but Mayor Rudolph Giuliani contends that the city is being shortchanged. (NYT)

## Quote/Unquote

Bill Bradley speaking at a rally in Manchester, New Hampshire, where the New Jersey Democrat cast himself as the candidate of big, ambitious ideas in contrast with Vice President Al Gore: "We must remember: We've done the big things in the past. We can do the big things in the future." (NYT)



Susan Preglow, a friend of a family whose house was among the hundreds destroyed by a tornado that killed four people, helping to search for valuables Sunday in the wreckage northeast of Cincinnati. (John Sommers/Reuters)

## Number of Americans on Welfare Falls 38% to a 30-Year Low

By Katharine Q. Seelye  
*New York Times Service*

down from 14.1 million when Mr. Clinton took office in January 1993.

As the U.S. economy continues its expansion, the new welfare numbers, the lowest since 1969, not surprisingly coincide with record drops in unemployment — to 4.2 percent in March, the lowest level in 29 years.

In announcing the figures in his weekly radio address Saturday, Mr. Clinton said that the federal government had been doing its share to help move welfare recipients into the work force.

He said the government had hired 12,000 welfare recipients in the past two

years, surpassing the goal he set in March 1997 to hire 10,000 welfare recipients by September 2000. Private companies participating in the nonprofit Welfare to Work Partnership have hired more than 410,000 welfare recipients, the president said.

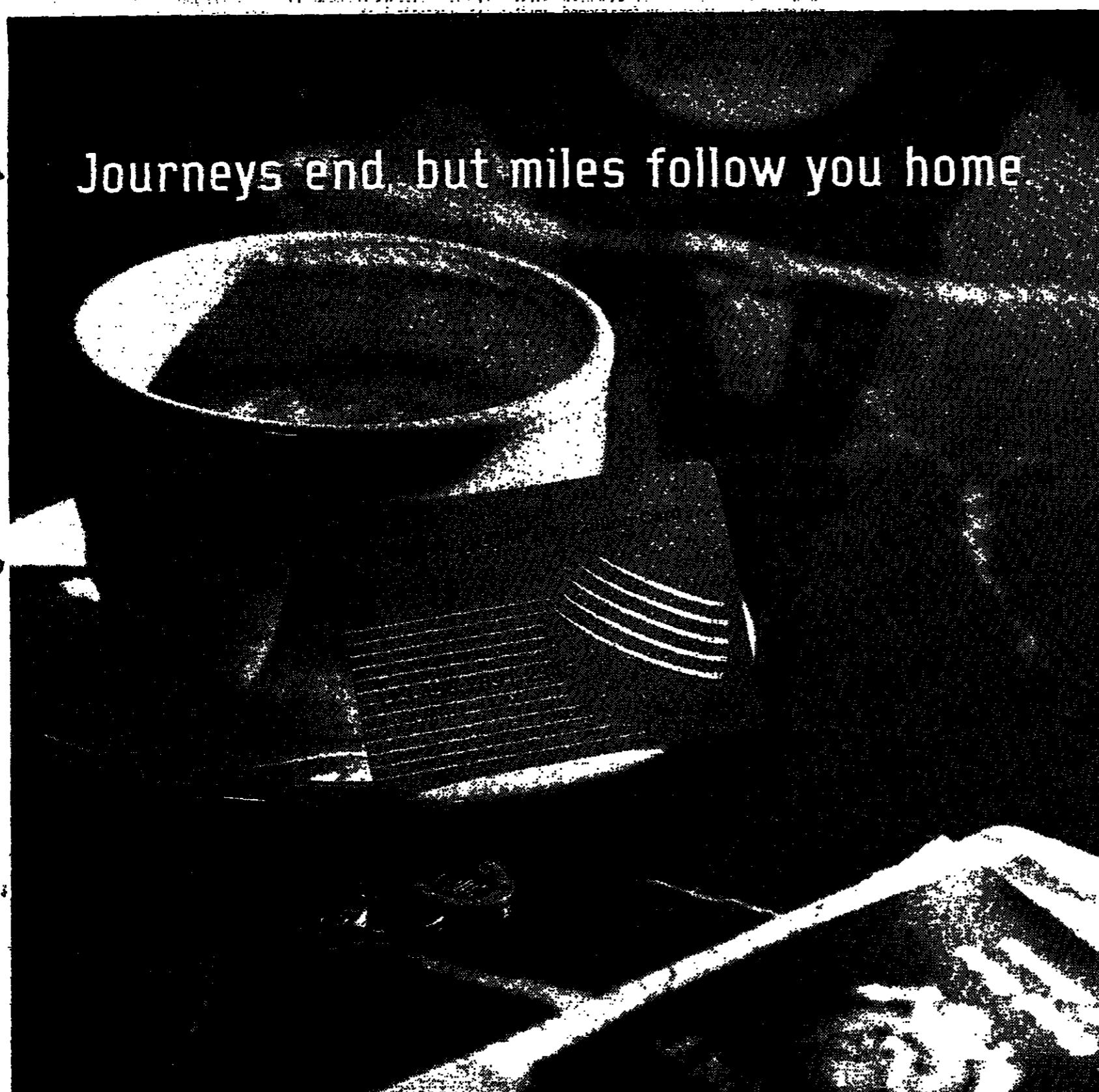
Mr. Clinton said he wanted to continue to drive down the number of welfare recipients by implementing the final two rules that were part of the 1996 welfare law. These would hold states accountable for moving people off welfare and make it easier for states to use their welfare block grants to pay for child

care, transportation and other needs to help welfare recipients hold jobs.

More than half of the states did not use the full amounts of their federal welfare grants last year.

Some state officials have said that their welfare rolls dropped much more quickly than they anticipated, in part because of the strong economy, making it difficult for them to use all the federal money they were entitled to. Others have acknowledged putting the funds aside to use during a future economic downturn. All 50 states have reduced their welfare rolls since January 1993.

Journeys end, but miles follow you home



EARN FREQUENT FLYER MILES

AmericanAirlines  
AAdvantage®Continental Airlines  
OnePass

SKYMILES

MILEAGE PLATINUM AIRLINES

GOLDAIRWAYS  
SOUTHERN AIRLINES

## EASY TO USE WORLDWIDE

1 Just dial the WorldPhone access number of the country you're calling from.

2 Dial or give the operator your MCI WorldCom Card number.

3 Dial or give the number you're calling.

# Belgium (CC) • 0-800-10112 # Netherlands (CC) • 0800-022-012

# France (CC) • 0-800-99-0019 # Spain (CC) • 800-99-0014

# Germany (CC) • 0800-999-9000 # Switzerland (CC) • 0800-99-0222

# Ireland (CC) • 1-800-55-1003 # United Kingdom (CC) • 0800-89-0222

# Israel (CC) • 1-800-040-2227 To call using BT in • 0800-89-0222

# Italy (CC) • 172-1022 To call using CMC in • 0500-89-0222

MCI WORLDCOM

# Jakarta Hears Chorus Of Criticism on Timor

**Do More to End the Violence, Australia Urges**

By Michael Richardson  
*International Herald Tribune*

**SINGAPORE** — As Indonesia and Portugal prepare to resume talks on the future of East Timor next week, foreign governments, the United Nations and human-rights groups alarmed by the recent rise in violence in the disputed territory are increasing pressure on Jakarta to end the conflict.

The Australian foreign minister, Alexander Downer, said Sunday that Indonesian authorities must "redouble their efforts to make sure that they act in a neutral way and do everything they possibly can to make sure violent incidents of the kind that took place last week won't occur in the future."

He was referring to the killing by pro-Jakarta East Timorese militiamen of a still unknown number of people sheltering in a church and priest's house in Liquisa, which is a center of support for groups that want independence for East Timor. The former Portuguese colony was invaded by Indonesia in 1975 and annexed the following year.

East Timor's spiritual leader, Bishop Carlos Belo, appealed for calm Sunday at a Mass outside the church in Liquisa where he said 25 people had been killed in the massacre by pro-Jakarta militiamen. Other estimates of the number killed ranged from five to 57.

A few hours earlier, the bishop suspended a church-backed attempt to negotiate between the militias and pro-independence groups, saying that he would only resume his peace initiative when a degree of calm had been restored, as it had.

The aim of the church-mediated talks was to smooth the way for a planned consultation or vote in July, which the United Nations is organizing, on an offer by Jakarta of wide-ranging autonomy for East Timor.

The offer and details of how it is to be put to the East Timorese are supposed to

be finalized at talks in New York on April 21 and 22 between the Indonesian and Portuguese foreign ministers under the auspices of the United Nations.

But the UN mediator for East Timor, Jamsheed Marker, said in New York late Friday that the United Nations could not organize a ballot on the future of the territory unless violence stopped.

"This is a prerequisite," he said. "It is something we have told all sides, and in particular the Indonesian government."

In a surprise shift of policy, the Indonesian president, B.J. Habibie, said in January that if the East Timorese rejected the autonomy package, Jakarta would consider allowing the territory to become independent.

Elsewhere in East Timor on Sunday, militia groups opposing independence held their third mass rally in a week to prepare for what they said would be a war against those wanting to end Indonesian rule.

The militias have stepped up their show of strength since a call by the East Timorese rebel leader, Xanana Gusmao, last Monday for his guerrillas and civilian followers to defend themselves against attacks by pro-Indonesian forces.

The Indonesian government threatened Friday to return Mr. Gusmao to prison from his current house arrest in Jakarta if he did not withdraw in a week what it said appeared to be a declaration of war that violated the terms of his release from prison.

Bishop Belo has said that the Indonesian military is supporting the militias. But Mr. Downer said Sunday — after receiving a report from an investigating team, headed by Australia's ambassador to Indonesia, who had gone to Liquisa — that the role of the Indonesian armed forces in the reported massacre was debatable.

"They clearly didn't themselves kill people," he said in an Australian tele-



East Timorese praying Sunday at a Mass outside a church in Liquisa where militias loyal to Jakarta killed pro-independence Timorese last week.

## ■ Troops Are Accused in Attack

By

Sidney Jones, Asia director of Human Rights Watch in New York, said that the failure to discern the East Timorese militias indicated "either the inability or unwillingness" of General Wiranto, the Indonesian armed forces commander and defense minister, to take the action.

Mr. Jones said that pro-independence forces in East Timor also had weapons and that some had been responsible for intimidation and harassment of opponents of independence.

## INDONESIA: A Policy Backfires

Continued from Page 1

and religious tensions to erupt. The government has appeared ineffectual in the face of the unrest, as have the armed forces, which have been trying to repair their image after reports of human rights abuses under Mr. Suharto.

"It's getting out of hand," said Justus Wanandi, who heads the Center for Strategic and International Studies, a Jakarta research institute. "It's been beneath the surface for so long, and now you have a central government with no legitimacy or authority. So any spark can set it off."

Such tensions have always existed in this sprawling archipelago of hundreds of ethnic groups, Mr. Wanandi said, but "when Suharto was suppressing it, nothing happened."

Much of the unrest has its roots in the Suharto government's policy of "transmigration," a controversial practice of moving people to outlying islands to alleviate overcrowding on Java Island. To indigenous people, the migration policy was seen as a new kind of colonization by the dominant Javanese, who also brought Islam into areas that were not traditionally Muslim.

"The transmigration policy only worked in a controlled, closed society," a Western diplomat said. Indonesians now "have to learn how to live together in a less controlled environment."

There has also been natural migration outside the government's program, like the Madurese, known as aggressive traders, who moved into Kalimantan over the years. Thus, the movement of people has created an explosive mix.

Most of the violence has occurred hundreds of kilometers from the capital, in West Kalimantan on Borneo between the Dayaks and the Madurese and in the eastern Moluccas, known as the Spice Islands, where Ambonese Christians have clashed with more recent Muslim immigrants in a bid to drive them out of what traditionally has been a Christian part of predominantly Muslim Indonesia.

There are no official totals, but according to press accounts, at least 200 people have been killed in the clashes on Borneo. In the Moluccas, the death toll is around 300, mostly in the capital, Am-



Cracks Dipti/De Associated Press  
An East Timorese worshiper crying as Bishop Belo said Mass on Sunday.

bon, and also in Tual, on Kai Besar Island. The violence continued this weekend with the beheading of two people in Tual and the discovery of 12 bodies in a Kai Besar village.

The violence has displaced tens of thousands of people in West Kalimantan, about 30,000 people have fled the riot areas, with 12,000 now reported living in a soccer stadium and in government buildings in the provincial capital, Pontianak. The navy is preparing to return as many as 116,000 people from Tual and the surrounding areas to their home villages. Thousands of refugees from the forced displacements in the Spice Islands are arriving every few days on ships in Surabaya, in East Java.

Added to the ethnic problems is the political violence, from East Timor, at the eastern end of the archipelago, where a church massacre Tuesday by militia forces supporting the territory's status as part of Indonesia reportedly killed as many as 25 people, to Muslim-dominated Aceh in the west, where separatists are waging low-level guerrilla warfare against the army.

The question many are asking now is: After this spasm of violence, can Indonesians learn to live peacefully together again? Or is Indonesia destined to follow the path of Yugoslavia and eventually split apart? Mr. Wanandi said, "It will take a long time, 10 years, maybe 20 years, to get back trust."

## ASIA: Image vs. Substance and the Demands for Change

Continued from Page 1

the governorship of Tokyo. Mr. Ishihara has argued essentially that Japan can go its own way.

Many big companies in Japan have started the process of scaling down their operations, but the undertaking has almost no political complement, no leader bold enough to embody change, to articulate the advantages and risks of restructuring society toward more openness and initiative. Much praised by foreigners for its government's almost evangelical espousal of a free-market vocabulary, South Korea gets a more balanced appraisal from the International Monetary Fund representative in Seoul who sometimes finds an "exaggerated upside bias" in how the country is viewed.

Hong Kong, with unemployment at 6 percent, a 25-year high, and the worst decline in gross domestic product since it began keeping count, spends vast sums in seminars on how to reinvent itself. Yet it deals very much less than frontally with its central problem, a reliance on property speculation that indirectly represents up to 60 percent of the value of the Hong Kong stock market and half the government's revenues, and invokes the 50 percent of the population who own apartments. Like South Korea, Thailand has had public relations success for its macro-economic approach, but 46 percent of its banks' loans are nonperforming and Thai restructuring say they see only wavering progress at ground level in creating a business culture of responsibility and professionalism.

Malaysia apart, there has been little tendency to look for scapegoats for Asia's problems beyond the region, but engagement in resolving them inspires varying degrees of conviction. After 10 years of stagnation in Japan, Minoru Makihara, chairman of Mitsubishi Corp. and chief of the loose Mitsubishi conglomerate, acknowledged that the Japanese still "must be made to see not only the necessity of change, even if it's accompanied by temporary discomfort, but also the benefits of fully taking advantage of this remarkable opportunity to redefine our society."

A European ambassador in Seoul with long experience in Asia felt that the parameters of Korea's industrial and government remodeling were coming up short of the early rhetoric. "What they are really saying now is, 'We'll do as much as we're forced to do' on things like bringing minority shareholder rights to the big conglomerates or letting in Western products. From the big companies' point of view, the reforms are now a technical question: How far do we have to go in order to get away with it?'" — submitting to new rules of competition, lending and pricing.

The prospect of deep change can be exceptionally threatening and suffocating. Significantly, it scares and intimidates not only the political and business leadership of Asia's most evolved societies, but also average citizens who hardly see themselves as being liberated from exploitation through the transformations at hand and who fear abandoning the region's own sorted method, which brought many of its people a first measure of prosperity.

Nothing is turning out to be easy. In Thailand, a government commission offering repossessed assets for sale found buyers for barely 10 percent of them. Excluding Japan, merger and acquisition activity in Asia — in theory an index of how much business is opening up to foreign owners, new ideas and better management — fell by 17.7 percent last year and is expected to continue downward in 1999, according to IFR Securities Data.

Hong Kong has boasted of creating a so-called Cyberport that was meant to serve as a center for the development of high-tech enterprise, but the local press savaged it as a glorified real-estate development reeking of now supposedly scorned friends-and-family capitalism. Then the city's dooms doctors competed in finding negative examples of where Hong Kong's evolution was heading: in 50 years, one said, it would be like another financial center, Philadelphia; a second suggested Luxembourg.

Bringing a serious legal framework of regulations and audits to areas of banking where they had not been present, a major undertaking in Japan, South Korea and Thailand, is a vast and complex matter. But the implications for Asian society are less direct and breathtaking than a suggestion in early April from Donna Shalala, the U.S. health secretary, that Japan — facing rising unemployment — could well liberate women from the country's social tradition of wives' holding responsibility for the care of aging parents and send them off to work.

The social cost of even Japan's tentative steps toward restructuring is no abstract concept. The Health and Welfare Ministry reported last month that 27,102 people had killed themselves in the first 10 months of 1998, a record for any 12-month period, with a particularly dramatic rise among men in their 50s. In South Korea, where there were stories of employees going into hiding to flee the shame of losing a job, average per capita income has fallen during the crisis from \$10,000 to \$7,000, and unemployment rose to 8.7 from 2 to 3 percent.

Beyond the question of creating banks that provide money to qualified lenders, of corporations that invest money in proj-

**Minoru Makihara, left, chairman of Mitsubishi Corp., says Japan must take advantage of this chance to redefine society. Jean-Michel Severino, the World Bank's vice president for East Asia and the Pacific, says changes in the region 'will take a generation.'**



Chika Tsuchiya/The Associated Press

ects on the basis of return on capital, of governments that refrain from designating favored borrowers, the stability and cohesiveness of Asian societies can appear to be a matter of growing concern. Each of four areas visited for this article — chosen in part for the possibility of open discussion of their futures — was dealing with the short-term prospect of more unemployment, more dislocation and more estrangement from their societies' sense of community solidarity and goals. In South Korea — the object of so much applause for the government's statements of democratic reform and attempts to bring the country's *chaebol*, or massive conglomerates, under control — Lee Bu Yung, an opposition member of Parliament who spent seven years in jail for his political convictions, says:

"We don't have the social welfare system or the mobility to manage what the government wants. There may be a calamity. They say it will work out in the long run, be patient, but nothing they've done has been justified so far."

Jean-Michel Severino, the Frenchman

who is the World Bank's vice president



Agneta Wetterberg/The Associated Press

regional magazine *Asiaweek* reported that Sooy, which announced big reductions in staff, appeared in fact to have avoided firings in Japan. General Japanese awareness of the dimensions of the problem is real, but Japanese wealth, now being pumped into the economy through government subsidies and projects, seems to have dulled a sense of urgency. This is described in Japanese as the Boiling Frog Phenomenon — a situation in which the frog cannot jump out of the pot because the water temperature has been raised so gradually as to completely dull its capacity to react.

With a gross domestic product that is about five times the size of the rest of the region, excluding China and India, and an economy that accounts for more than 15 percent of the region's imports, a Japan reawakened could help lift Asia from its crisis. There are bullish analysts: Richard Jerram, chief economist of ING Barings Securities in Tokyo, says that "the system is a mess" but that there are reasonable situations in which banks could begin to lend again, "so it's possible we might see a reflationary

discourse, with the president's economic adviser Kang Bong Kyun doing the talking, sounds like this: "If Daewoo is reluctant to reform, to cut employees, then they'll need more money. They'll go to the banks, and they'll come here to the Blue House — but they'll find that economy doesn't operate any more."

These days, a contrasting view on Korea is emerging that says the reforms' momentum has peaked and that the *chaebol*, with foreign exchange and liquidity available after the International Monetary Fund's intervention, have perhaps become stronger, shorn of manacles and their least productive businesses. Milton Kim, who runs his own investment company, is the sixth son of the founder of the Ssangyong Group. He sees the conglomerates' motivation for change, for not attempting to dominate banks and suppliers, diminishing. "Why should they change now?" he asks.

In fact, says Stephen Marvin, an economist at Jardine Fleming Securities, the government has forced banks to provide credit to 18 nonviable second-string *chaebol*. This has sucked credit out of

## Victory for Japanese Nationalist

The Associated Press

**TOKYO** — An author known for hawkish, nationalist views emerged as the victor of the closely watched Tokyo gubernatorial election Sunday, beating out the candidate backed by the Japanese government party.

Elections were also held Sunday for heads of 11 other prefectural, or state, governments, including for governor of the second-largest city, Osaka.

The Tokyo race drew nationwide attention, much of it focused on the eventual winner, Shintaro Ishihara, author of the 1989 book "The Japan That Can Say No," and a vocal opponent of the U.S. military presence in Japan.

As his rivals conceded defeat, Mr. Ishihara said Tokyo voters had chosen him because he offered strong leadership.

The victory was a setback for Prime

Minister Keizo Obuchi's governing Liberal Democratic Party, which had backed

former senior United Nations official Yasushi Akashi as its official candidate.

Mr. Ishihara's campaign was bolstered by the high name recognition he enjoys in Japan. He is a winner of the country's most prestigious literary prize and is the elder brother of Yujiro Ishihara, who was one of Japan's most renowned actors.

Election officials said that with more than 97 percent of the votes counted, Mr. Ishihara had 29.6 percent of the total, well above the 25 percent minimum needed to win and double the tally for his nearest rival.

Although the head of Tokyo's municipal government has little influence over national policy, the governor's race has been widely viewed as an important political barometer for the entire nation.

## THAILAND

The government says all the things that please its international creditors, and its macro-economic plans get solid marks from its associates like the IMF, but at the basic level of rebuilding a banking system and remaking a battered economy, the country's problems are at some distance from solution.

The structures for the task are there, but there is a leap in skills and mindsets still to be made. In a situation where 46 percent of outstanding loans are nonperforming ones, the banks do not lend. The South Korean and Thai reconstruction efforts are sometimes compared, but South Korea has immense advantages, with a dense and sophisticated industrial base and levels of professionalism that match.

Montri Chentivakarn, acting secretary-general of the Financial Sector Restructuring Authority, says that Thailand can regard default on a personal loan as shameful, the easy money of the boom years turned commercial loans into "convenience" without a special sense of obligation.

This kind of difficulty, he says, extended to the evaluation of assets where "the idea that assets can be distressed and that land is a commodity that varies in price" has not been driven home by the politicians. "The banks," he adds, looking weary, "have never seen themselves as economic facilitators, and the government has very little means to make them act."

Thailand's friends say that six bankruptcy courts are about to begin operations, an important practical and psychological step. But Thailand's economic conditions are now akin to those in 1990, in the view of Niramon Suriyarat, chairman of Toshiba Thailand.

And it could take another 10 years for recovery, says Masatsugu Nagao, general manager of the Industrial Bank of Japan in Bangkok. "The difficulty is in part that you have a generation of people who mostly know rolling out of bed and having money thrown at them," he says.

Next: How some Asian businesses are trying to respond to the crisis.

## ASIA/PACIFIC

**Though No Democrat, Zhu Shows a Flair for Campaigning**By Joseph Kahn  
New York Times Service

**DENVER** — Chinese leaders, tutored by their own experts and legions of "foreign friends" who pass through Beijing, have learned a lesson over the years: The United States is not a one-party dictatorship.

Simple though it sounds, it has taken the Chinese government the better part of the quarter-century to digest that fact. The United States, especially when it comes to the volatile subject of China, is not one state, but 50. It has 435 political factions, each with its own seat in the House of Representatives. The media, academia and the corporate world rarely toe the "party" line.

"We used to believe that if your president and our leaders can trust one another, then there is no problem," said a Chinese Foreign Ministry official in the delegation of the visiting Chinese prime minister. "That is wrong."

This has led to the remarkable spectacle of Prime Minister Zhu Rongji, trained in the Communist Party system, cajoling members of Congress, rallying businesses, courting the media and now taking his case to the American people.

Mr. Zhu, though deeply disappointed that he was unable to seal a deal last week for China's entry into the World Trade Organization, hoped but never

assumed that President Bill Clinton would deliver on the trade deal that the two sides have been negotiating in recent weeks, senior Chinese aides said in interviews Friday.

Especially given what they describe as the "bad political environment" in relation to China these days, Mr. Zhu and his advisers felt that even if the accord were signed, the prime minister would still have to "campaign" vigorously to help Mr. Clinton get it through Congress.

The idea marks a sea change in the way China deals with the United States. Chinese officials have long lamented that their fine working relationships with presidents, dating back to Richard Nixon, often do not ensure stable relations.

Now China is trying to build bridges to a more diverse group of U.S. political and business leaders. The campaign seems unlikely to generate a groundswell of support to get China into the trade group. But for the Chinese strategy to work, Mr. Zhu's aides say, it may be enough to persuade a cross-section of political, media and academic leaders that the United States can do business with China, and specifically with Mr. Zhu.

The prime minister quipped at his joint news conference Thursday with Mr. Clinton that he is a neophyte in the glare of media spotlights in Washington.



Governor Bill Owens of Colorado, left, applauding as Zhu Rongji showed off a hat. Mr. Owens gave him a state of the Chinese leader visited Denver high-tech industries and the Broncos football team's headquarters.

But he appears not only to tolerate the rough and tumble of American politics but also to enjoy it, showing off his ability to make jokes and speak off the cuff.

The apparently tireless 70-year-old, untroubled despite several late-night strategy sessions and a brutal travel schedule, delved into environmental

policy at a forum with Vice President Al Gore on Friday.

The prime minister pointedly departed from his prepared text to detail environmental problems in China, moments after Mr. Gore, who is campaigning for president, delivered remarks on the subject read verbatim from a prepared statement.

#### ■ China Agrees to Torture Inquiry

A United Nations investigator has said that Beijing agreed to allow him to examine allegations of torture in China. The New York Times reported from Geneva. The investigator, Nigel Rodley, said Friday that China had invited him to visit and that he planned a tour next year.

#### Ignoring Appeals, India Tests Missile

Compiled by Our Staff From Dispatches

**NEW DELHI** — India tested an upgraded version of its intermediate-range missile Sunday, defying international appeals to put its nuclear program on hold to encourage peace overtures toward Pakistan.

India said its successful test of the missile meant that no one could threaten the country.

"We have reached the point of operationalization of Agni as a weapon system," Defense Minister George Fernandes said at a news conference called to give details of the nuclear-capable Agni II's test flight. "I believe we have reached a point where nobody from anywhere can dare to threaten us."

Officials said Pakistan had been given advance word of the test under an agreement signed by the two countries in February.

In Islamabad, Foreign Minister Sartaj Aziz confirmed that Pakistan received such a warning Saturday.

(AP, Reuters, AFP)

#### BRIEFLY

#### China Renews Effort To Unify with Taiwan

**TAIPEI** — China's top negotiator op-  
Tainan has renewed Beijing's proposal of a "one country, two systems" formula in seeking reunification with the nationalist island, reports here said.

In Shanghai, Wang Daohan told Hsu Pei-tsui, a former Taiwan prime minister and military chief, that Taipei and Beijing could be reunited under the system that has applied in Hong Kong since 1997, the United Daily News reported Saturday.

But unlike Hong Kong, Taiwan would be able to have its own military. Mr. Hsu's son, Hsu Lung-ping, who was at the meeting Friday with Mr. Wang, told the newspaper.

Mr. Wang told Mr. Hsu that Taiwan's status could be discussed after reunification, the report said. (AFP)

#### Rockets Strike Kabul

**KABUL** — Three rockets struck Ka-  
bul as the Taliban chief, Mullah Mo-  
hammad Omar, ruled out further talks  
between the warring Afghan parties, of-  
ficials and residents said Sunday.

Residents said the rockets struck late Saturday and appeared to have been fired from positions held by forces led by the northern alliance commander Ahmed Shah Massoud. There were no re-  
ports of damage or casualties.

The attack came shortly after Mullah Omar said the next round of peace talks was not possible because of a refusal by the opposition northern alliance to accept a single militia leadership. (AFP)

#### 2d Filipino Released

**ZAMBOANGA, Philippines** — Com-  
munist rebels Sunday released a  
Philippine Army sergeant after 37 days in  
captivity, the second of five hostages  
to be freed before an April 19 deadline.

About 20 New People's Army fighters turned over Sergeant Alipio Lozada in the remote village of Diatagon in the southern province of Surigao del Sur, witnesses said. "They did not hurt me; they did not hurt me," he was quoted by a local radio station as saying. (AFP)

#### For the Record

**Singapore** — Pork sellers "know they are not likely to have warm meat for many months," National Development Minister Lim Hng Kiang said, indicating that the country's ban on pig imports, ordered following the spread of a fatal pig-borne virus in Malaysia and Singa-  
pore, will not be lifted soon. (AFP)

## The Impossible, Indispensable Queen of India Politics

By Pamela Constable  
Washington Post Service

**CHENNAI, India** — She is a political cartoonist's dream: a temperamental, round party boss and former film star who hurls shoes at her aides, broods inside a guarded mansion in this steamy south Indian port city and regularly threatens to withdraw support from India's weak governing coalition unless its officials satisfy her latest whim.

But this time, the joke is wearing thin.

In the past two weeks, Jayalalitha Jayaram's machinations have brought Prime Minister Atal Bihari Vajpayee's government to the brink of collapse after barely a year in office. He and his opponents are scrambling to forge alternative coalitions, but the odds are rapidly increasing that Mr. Vajpayee, 76, may not last more than a few days after Parliament convenes Thursday.

"I think it's going to fall," said N. Ram, editor of *Frontline*, a leading south Indian magazine. "Once Jayalalitha pulls out, there is no way the government

can survive." After Mr. Vajpayee refused to meet Miss Jayaram's latest demands, she withdrew two ministers from his cabinet last week. That severed their relationship, according to government officials, leaving Mr. Vajpayee without 18 crucial votes in his narrow parliamentary majority.

But it is far from clear who could lead or form an alternative government.

Sonia Gandhi, head of the opposition Congress (I) Party and heiress to a political dynasty, raised a flurry of speculation that she might ally with Miss Jayaram (who is largely known by her first name) when she warmly greeted her rival at a political tea party recently. But Mrs. Gandhi has since made it clear she does not want to become prime minister under the current circumstances and would rather wait for an election.

As a result, the national political scene has degenerated into a volatile free-for-all in which Mr. Vajpayee's Bharatiya Janata Party and the Congress Party are scrambling to secure allies among the 39 political groups in Parliament. With only five days to go until the legislative session

opens, it is still unclear whether a vote of no-confidence will be brought against Mr. Vajpayee, and who would support whom in the resulting political vacuum.

Even if Mr. Vajpayee does survive, analysts said, any emerging coalition government would be fragile, with little mandate to forge cohesive national policies until an election is held. Whoever leads it, moreover, would be as vulnerable to the demands of untested partners as Mr. Vajpayee has been to Miss Jayaram.

"I don't see how a government cobbled together, with a razor-thin majority, can make major decisions," said Priti Viraj Chavan, a member of the lower house of Parliament from the Congress Party. "It's very sad. People only want to make deals, not pay attention to national issues. In Italy, a government can fall and nothing changes. But we are not yet mature enough to delink national issues from coalition politics."

To make matters worse, Miss Jayaram's latest remarks have stirred up trouble among the armed forces. She has accused Defense Minister George Fernandes of sheltering foreign terrorists and

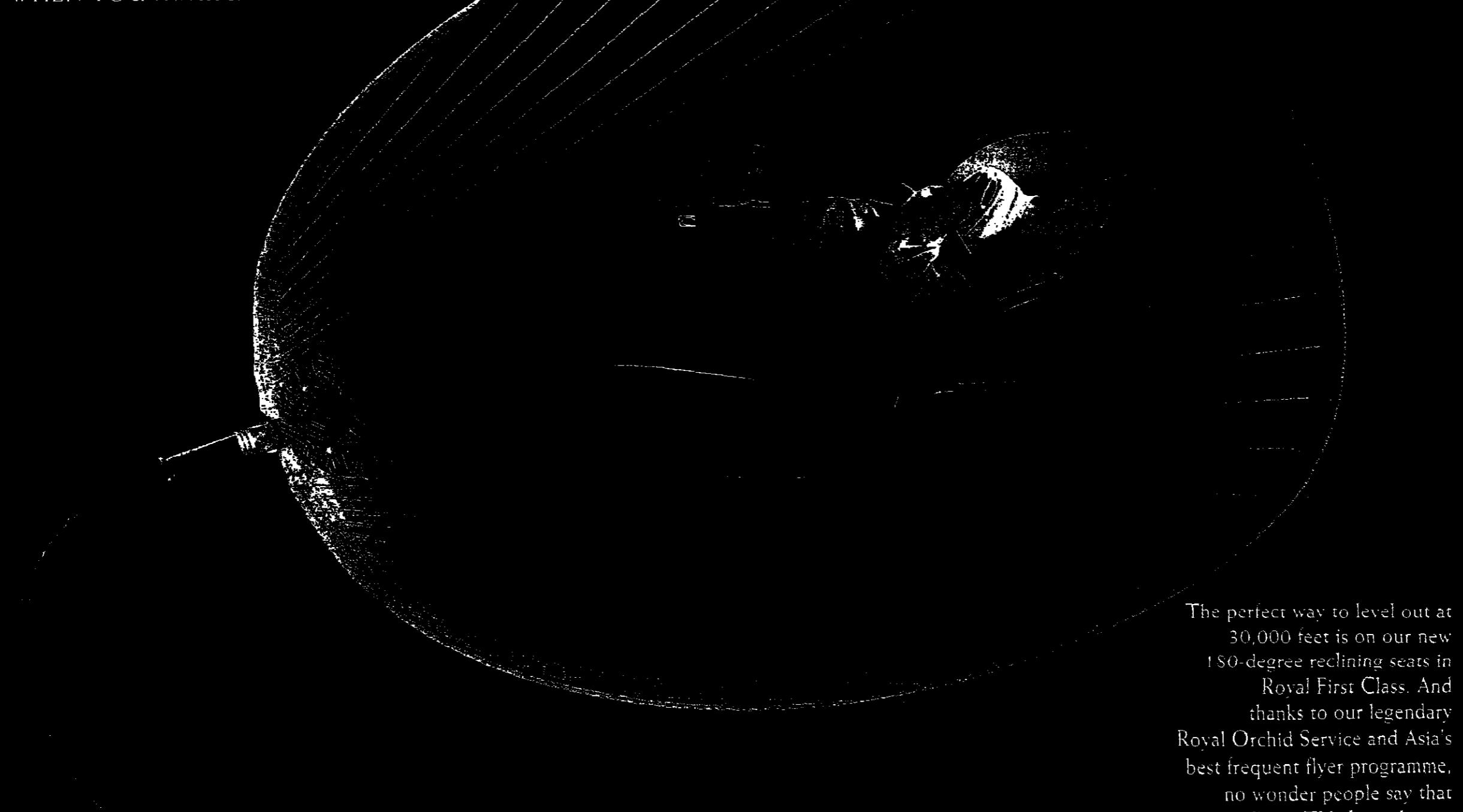
demanded an investigation into his dismissal of the navy chief, a retired admiral who has been accused of leaking information about India's development of a nuclear submarine.

No one knows where the accusations will lead, but analysts said they threaten to politicize the military, which has long been an apolitical bulwark of Indian democracy. Since last May, when India detonated five nuclear devices, the importance of keeping the military under stable civilian leadership has become especially important.

The woman who precipitated this crisis, according to her critics, cares little about nuclear submarines or government stability. Mr. Ram, the editor, describes her as "amoral, authoritarian and extraordinarily corrupt." What she wants, he and others said, is to rebuild the political power she held from 1991 to 1996 when she was chief minister of Tamil Nadu state. Others are glad she has taken on the governing party, which they view as incompetent, unsympathetic to the poor and openly antagonistic to religious minorities.

ROYAL FIRST CLASS

ON THAI YOUR DREAMS DON'T END  
WHEN YOU AWAKE.



The perfect way to level out at 30,000 feet is on our new 180-degree reclining seats in Royal First Class. And thanks to our legendary Royal Orchid Service and Asia's best frequent flyer programme, no wonder people say that flying THAI is a dream.

THAI  
The World's Best

THAI AIRWAYS INTERNATIONAL LTD. 1999. THAI AIRWAYS INTERNATIONAL LTD. IS A MEMBER OF THE THAI GROUP OF COMPANIES.

## EUROPE/INTERNATIONAL

## Primakov Urges Duma Not to Impeach Yeltsin

By David Hoffman  
*Washington Post Service*

MOSCOW — Raising the curtain on a potentially disruptive political battle, Prime Minister Yevgeni Primakov has appealed to the lower house of Parliament to drop impeachment proceedings against President Boris Yeltsin, saying the process was "irresponsible and dangerous."

In an unusual televised address from his office Saturday, Mr. Primakov appeared to be trying to head off a confrontation between Mr. Yeltsin and his enemies among Russia's Communists and nationalists.

Impeachment proceedings could also undermine Mr. Primakov's power.

The State Duma, in which the Communists and nationalists hold a majority, is to begin debating five impeachment counts against Mr. Yeltsin on Thursday.

That would be just the beginning of what could be a long process.

The process is unlikely to succeed, but the prospect of such a debate has shaken the Kremlin, which hopes to avoid a protracted political conflict.

"Attempts to pass impeachment through the Duma are groundless and counterproductive," Mr. Primakov declared in his speech to the nation.

"They must not take place," he continued. "Such a political game is irresponsible and dangerous. It not only might rock society, but also could provoke a serious political crisis."

Mr. Primakov's position is tied to Mr. Yeltsin's because the prime minister is backed by the Communists in Parliament, and several members of that party serve in his cabinet.

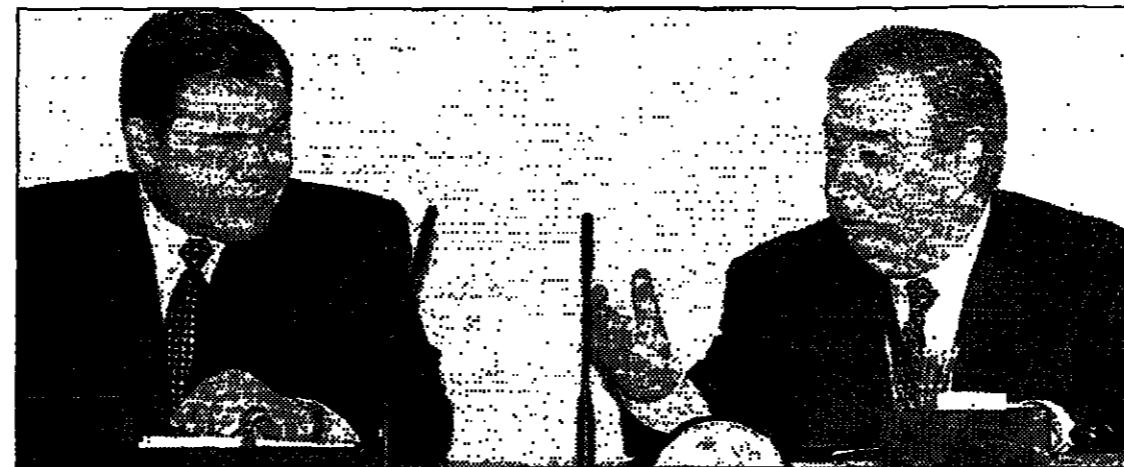
The Kremlin has hinted that if the Communists proceed with impeachment, Mr. Yeltsin may dump the cabinet and Mr. Primakov with it, or even dissolve Parliament. Once impeachment proceedings begin, however, Mr. Yeltsin is forbidden to disband the chamber.

"Calm down!" Mr. Primakov implored Parliament's restive anti-Yeltsin forces in the televised address, saying that speculation about the dismissal of the cabinet was a "road to nowhere."

Mr. Primakov insisted anew that he had no presidential ambitions, although polls show he would be a strong contender, and his speech came a day after Mr. Yeltsin lukewarmly endorsed him.

Mayor Yuri Luzhkov of Moscow, also a potential successor to Mr. Yeltsin who has recently criticized Mr. Primakov for inaction, spoke in support of the prime minister Saturday, saying "any destabilization, including that in the composition of the government, could hurt the country."

The five charges against Mr. Yeltsin accuse him of illegally conspiring to destroy the Soviet Union in 1991; overthrowing the constitutional order and violently dispersing the elected Parliament in 1993; beginning the war in Chechnya, which resulted in tens of thousands of casualties; undermining national defense by wrecking the armed forces, and committing genocide against the Russian people through market reforms that led to falling birthrates and shortened life expectancies.



Alexander Lebed, governor of the Krasnoyarsk region and a potential presidential candidate, left, and Prime Minister Yevgeni Primakov in Moscow after they agreed this weekend on a plan to renew the Krasnoyarsk coal industry. Mr. Primakov has returned to work after a brief illness.

## Military in Control After Niger Assassination

*The Associated Press*

DOUMEGA, Niger — As dozens of soldiers in red berets stood at attention, the coffin of Ibrahim Bare Mainassara, the assassinated president of Niger, was hoisted aloft and carried Sunday into a simple tomb.

Top military leaders, government officials, opposition politicians and diplomats from around the region turned out for the funeral of Mr. Bare, who was killed in a hail of gunfire Friday morning by members of his own guard.

The funeral, in Mr. Bare's home village about 300 kilometers (185 miles) east of Niamey, came as the new military rulers of Niger were planning to name its next leader.

Government sources said leadership could be assumed by Colonel Moussa Moumouni Djermakoye, the military chief of staff.

Military leaders met with civilian politicians Saturday to discuss who would lead the country, as state radio continued to report that Mr. Bare

died in an "unfortunate accident."

But witnesses and diplomats, speaking on condition of anonymity, said Presidential Guard members repeatedly shot Mr. Bare as he crossed the runway at the Niamey airport Friday to board a helicopter.

The leader of his personal bodyguard unit, Tilly Smael, was gunned down when he tried to return fire. Local journalists said at least three soldiers and one civilian were killed. At least six people were wounded.

While it remained unclear who was behind the killing, observers said the act appeared to have support in Niger's often-fractious military, which immediately took control.

The lack of army infighting and the quick deployment of soldiers in the streets of Niamey after the killing appeared to indicate that at least some military units were behind the assassination, diplomats and local journalists said.

Hours after Mr. Bare's killing, Prime Minister Ibrahim Assane

Mayaki disbanded the National Assembly, which is dominated by members of Mr. Bare's party, and suspended all political parties.

Mr. Bare was not a popular figure. He seized power in an army coup against the first democratically elected government, led by President Mahamane Ousmane, who was arrested but later released.

During his tenure Mr. Bare faced down repeated military mutinies and protests by students and civil servants. He imprisoned opposition figures and reportedly installed relatives in profitable government jobs.

President-elect Olusegun Obasanjo of neighboring Nigeria, which is undergoing a shift from military to civilian rule, declared the killing.

"Any military takeover anywhere in the world is out of fashion and should be regarded as unfortunate," Mr. Obasanjo said Saturday. "Any short-circuit of democracy is not in the best interest of the people."

## Blasts in Uganda Kill 2 and Hurt 8

Compiled by Our Staff From Dispatches

KAMPALA, Uganda — Two people were killed and four were wounded when a bomb exploded Sunday afternoon in Kampala, only hours after another blast in the capital hurt four people, witnesses said.

The second bomb went off near a public toilet in a taxi terminus in the capital, about 100 meters from where the first bomb exploded, late Saturday. (AP/Reuters)

## BRIEFLY

## British Architect Wins Pritzker

LOS ANGELES — The British architect Sir Norman Foster, who won celebrity status by turning tall towers and airport terminals into sleek works of art, was named Sunday the 1999 winner of the Pritzker Architecture Prize, considered the top honor in the industry.

Sir Norman will receive \$100,000 and a bronze medal at a ceremony in Berlin's Altes Museum on June 7, six days after he turns 64. Coincidentally, Sir Norman is nearing completion of the city's Reichstag building renovation.

Among Sir Norman's works are London's Stansted Airport and Hong Kong's new Chek Lap Kok airport, the Hong Kong & Shanghai Bank headquarters in Hong Kong, the Metro transportation system in Bilbao, Spain, the Commerzbank building in Frankfurt-am-Main (the tallest building in Europe) and the Joslyn Art Museum addition in Omaha, Nebraska.

He is currently involved in a number of London projects, including a new Wembley stadium and a remodeling of the British Museum. (Reuters)

## Cubans Fight Huge Forest Fire

HAVANA — Huge flames swept across the western Cuban province of Pinar del Rio over the weekend, devouring pine and eucalyptus trees in a blaze of "enormous proportions," the government reported.

Forest rangers, local villagers and special security forces, more than 2,000 people in all, fought to contain the fire, which covered 800 hectares (2,000 acres) on Saturday, according to the National Information Agency.

An agency spokeswoman reported that there had been no lives lost and no homes or crops damaged. (APF)

## Iran Releases German on Bail

TEHRAN — A German businessman who was sentenced to death in January 1998 after being arrested for having sex with an Iranian woman has been released on bail, but must stay in Iran, a German official said Sunday. Helmut Hofer, 54, was in "good physical and mental health," Chancellor Gerhard Schroeder's chief of staff, Bodo Hornbach, told reporters in Tehran.

Mr. Hofer's detention has been a sore point between Germany and Iran, and his release was expected to significantly help mend ties. Soon after word of his release, the Iranian press agency IRNA announced that President Mohammed Khatami had accepted an invitation to visit Germany. (AP)

## 3 Die in Egyptian Train Wreck

SHIRBIN, Egypt — Rescue workers used torches to cut through wreckage early Sunday and pull a third body from the twisted metal of two trains that collided Saturday evening in northern Egypt.

A preliminary investigation found that the accident was caused by a signal operator who had failed to stop one of the trains, the Middle East News Agency reported. Egyptian newspapers reported Sunday that at least one signal operator had not been present and the telephone network between stations was not working when the trains hit head-on between the towns of Shirbin and Bilqas in the Nile Delta.

The regional governor's office put the death toll at three, with 49 people injured. (AP)

## LANGUAGE

## There Are Never Enough Words

By William Safire  
*New York Times Service*

WASHINGTON — Noah Webster, the political activist, journalist and educator who began his lexicographic career in the tempestuous Federal era, asked Basil Hall, a British naval officer, why he considered all American contributions to the English language unworthy. Hall's reply: "Because there are enough words already."

There are never enough words. That colloquy comes from a doozy of a book being published this week titled "Never Enough Words" (Random House, \$25), by Jeffrey McQuain, who has been both a researcher and an occasional bylined contributor in this space for 15 years. (He teaches me grammar; I teach him mavenry. *Mavenry* is a new word, coined five seconds ago because I couldn't come up with a way to express aficionadophilic, connoisseurish or state of specialized enthusiasm. Never enough.)

Interest in coinage, or neology, is closely akin to etymology, the history of coinage and semantic development. In today's future-oriented tunneling toward the millennium, you think this glance backward is *small potatoes*? McQuain points us to the first definition of that British phrase, from a Boston newspaper in 1831: "When a person is guilty of a mean action, or takes much pains to make himself ridiculous, it is often said in relation to the circumstance, 'small potatoes,' rather small potatoes, and few in a hill."

That led the language maven to the opposite meaning of a garden phrase, *some pumpkins* (with the gourd's name from the French *pompon*, "melon," usually pronounced *punkins*). During our Revolutionary times, *pumpkin head* insulted New Englanders obeying the Blue Laws that enjoined males to have their hair cut round by a cap. When a cap or bowl was not available, the shell of a pumpkin was used, and *pumpkin head* was a phrase of derision. With the addition in 1846 of *some*, however, the meaning was reversed, and the politicians so described were considered highly praiseworthy.

I called McQuain's book a *doozy*, meaning "a stunning example, a wow." I've speculated that its origin is in the Duesenberg automobile of the early '30s, but according to the etymologist Gerald Cohen, that word may be an alteration of *day*, influenced by the Italian actress Eleonora Duse early in the 20th century (a chronological term that used to connote modernity).

Cohen, often collaborating with Barry Popik, publishes a mimeographed 16-page "Comments on Etymology" from the hallway outside his office at the University of Missouri-Rolla. (Address, Rolla, Missouri, 65401; annual subscription, \$13 for eight issues, and how far wrong can you go at less than two bucks a shot?) He is a superb phrasemonger, advertising for and reporting on origins of current slang expressions.

For example, to *hit on* takes the phrase to

come on to, or "sexually approach," to an unwanted level; when a predatory male hits on a woman, he harasses her and she considers him a *lech* (pronounced "lech," from *lecher*, rooted in the Germanic *lecken*, "to lick"). What is the source of the expression? *Hit* in Standard English is a verb meaning "strike," and in slang *hit up* has long meant "to seek a loan from," figuratively once removed from striking. But whence *hit on*?

One of Cohen's colleagues, a chemistry professor named Gary Bertrand, is a fisherman and provided a source of speculation. "If fish are nibbling or biting at the bait without taking the hook," reports Cohen, "the fisherman may say that the fish are hitting on the bait." Is the problem solved?

Could be. After citations come in from the Izaak Walton mavenry, we'll reopen that can of worms. *Never enough* words. □

Stimulated by a recent piece about *couth*, *kempt* and *grunked*, a new division of the Lexicographic Irregulars has formed itself: The Deprefixers. My former Times colleague David Burnham, now with Syracuse University's Transactional Records Access Clearinghouse, is one. He notes the poet John Milton's use, in "Paradise Lost," of "Not *nocent* yet, but on the grassy *Herb*," with *nocent* ("harmful") the near-opposite of *innocent*.

Norman Hyman of Milwaukee sends a 1994 New Yorker article by Jack Winter: "I was *furling* my *wieldy* umbrella when I saw a *descript* person, a woman in a state of total array. Her hair was *kempt*, her clothing *shvelled*, and she moved in a *gaily* way." His reaction: "I was *plussed*. It was *concerting* to see that she was *communicado*, and it *nerved* me that she was interested in a *parcell* like me.... I acted with *mitigated* gall and made my way through the *rudy* crowd with strong *givings*."

Dorothy Berg of Madison, Wisconsin, and Barbara Scholl of New York directed me to the leading muse of the Deprefixers, the poet Felicia Lampert. In both her "Scrap Irony" and "Light Metres," she deprefixed furiously.

Lampert, now 83, graciously gave me permission through her husband to run her pioneering play:

Life would be such a nice *broglie* — Running so smoothly and *mok*, If I had a nice *portfolio*, Full of negotiable stock.

And if it were tax-exempt, I would be *grunked* and *kempt*.

But that was only getting started. Then came such an outpouring of deprefixed delight not since matched:

"Nothing gives rise to such wild *surise*! As the *peachable* widow with *consolate* eyes." And: "The *iquitous* girl often loses her *balance*! When wooed by a man with unusual *chalance*." And: "Men often pursue in suitable style! The *imical* girl with the *scrutable* smile."

Connect the dots.

Problem

85,000 minds

Solution



## The Kosovo Problem / We Pray for Peace and Goodwill Among People'

## Belgrade Shops Full for Easter

State Keeps Shelves Stocked, But Cigarettes and Gas Stay Scarce

By Steven Erlanger  
New York Times Service

**BELGRADE** — Belgrade's markets were stuffed full with meat and vegetables of all kinds for Orthodox Easter celebrations on Sunday, with such formerly scarce items as cooking oil and sugar plentiful in state stores at cheap prices.

Wartime regulations, instituted a few days after NATO's bombing campaign began 19 days ago, have kept prices down. After a few early days of shortages, as worried residents bought up large amounts of nonperishables, the state funneled new supplies into the shops.

Cigarettes and gasoline remain very scarce and expensive on the black market, when available at all, although the official state media promised Friday that new supplies of cigarettes would arrive soon.

The dinar has been losing value against hard currencies, currently trading on the black market at about 17.5 dinars per dollar and 10 per Deutsche mark.

Cooking oil and sugar in particular, which had been hard to find in the weeks before the war, suddenly filled the shelves at reasonable prices: Cooking oil is about 11 dinars a liter; sugar is about 9.5 dinars per kilogram.

Because of the exchange rates, prices expressed in dollar seem absurdly low. Income is generally much lower than in the West, with salaries averaging \$60 a month and pensions \$40 a month.

Springtime in Yugoslavia is always marked by plentiful greens, spring onions, radishes and other vegetables, but supplies of fresh fruits, even imported varieties like kiwis, are available from Greek suppliers, shopkeepers said Sunday in Belgrade. It was the same situation in nearby Zemun, where the head of the Serbian Orthodox Church, Patriarch Pavle, presided over Easter services.

Aleksandara Vucic, a 26-year-old mother of two children, said that the filled shelves were reassuring in a difficult time. "I know the government is doing this to raise our spirits, but I'm not unhappy about it," she said. "Why should I be?"

But the amount of Greek produce coming into the capital is less than before, the shopkeepers say. There are no flights to Belgrade, its airports damaged and airspace closed by NATO. The attacks on Yugoslav oil refineries and fuel supplies, designed to hobble Belgrade's military campaign against the Kosovo Liberation Army in Kosovo, have led to extreme shortages of gasoline and diesel fuel for truck transport, let alone private cars.

But city authorities have been trying to negotiate with the army for more gasoline, so that shops in the capital, many of them private, can get new stocks of food and other goods, said the deputy mayor of Belgrade, Milan Bozic.

The state-controlled newspapers are full of stories of war profiteers being arrested by the martial-law authorities, and gasoline costs about 10 DM (\$18) a liter — when it can be found. Western cigarettes cost at least 25 DM for a carton of 10 packs. Locally made cigarettes, which few people favor, cost about a third less.

Bananas in particular are scarce, with those still in the market in various stages of rot, their prices dropping. "The Greeks don't produce bananas," one shopkeeper said.

But despite early worries, bread and flour are also plentiful. Flour is only 4.5

**Newspaper Owner Opposed to Milosevic Is Slain in Belgrade**

By Steven Erlanger  
New York Times Service

**BELGRADE** — In a vicious message to what little remains of the independent media in Yugoslavia, unidentified gunmen on Sunday shot and killed a well-known opposition publisher outside his apartment building in Belgrade.

The publisher, Slavko Curuvija, the owner of the *Dnevni Telegraf* and the news biweekly *Evropljanin*, was shot as he returned home from an Easter lunch with his wife, the historian Branka Prica.

Mrs. Prica told the police and friends that two gunmen dressed in black with black leather jackets, fired several bullets into Mr. Curuvija's back. They then pistol-whipped her, opening a large cut on her head, before firing more shots into Mr. Curuvija's head, she said.

"I can't believe that they're killing journalists," Mrs. Prica said afterward. "For example, a flyby of jet fighters in formation may be canceled as being in poor taste."

But the officials are determined that the two state dinners, the two formal lunches and the rest of the diplomatic show will go on for NATO's 19 member nations and most of the members of the post-Cold War Partnership for Peace.

But it looks as if Russia will boycott the summit meeting.

The man at the National Security Council coordinating the show — which Clinton administration officials are now calling a commemoration, not a celebration — is Don Bandler, a career Foreign Service officer and a counselor to the national security adviser, Samuel (Sandy) Berger.

"A few people have said, 'Why don't you cancel this?'" Mr. Bandler said.

"We don't think that makes any sense." He vowed that the summit meeting would be "serious and sober," not "triumphant."

Triumph is the least likely atmosphere for the gathering, said Ivo Daalder, who left the National Security Council in 1997, where he had been senior staff member in charge of European issues.

dinars a kilogram.

Gordana Perazic, chatting outside the Church of the Holy Mother of God in Zemun, where Patriarch Pavle conducted services Sunday, said that this Easter had seen the Serbs special tribulations.

"But our tables are full, thank God," she said. "Not even Hitler could scare us, so Clinton won't manage to do it. We have a heroic heart."

Mrs. Perazic, who works with Russian tourists here, said that she hopes that no one will learn to hate the people bombing them, and that the Americans, too, will understand that the Serbs are a generous people. "One person does not make a nation," she said in a clear reference to the Yugoslav president, Slobodan Milosevic.

"We know that the American nation does not hate the Serb people," she said. "It is a matter of one or two people, not the rest."

In his Easter message, Patriarch Pavle did not shy away from the war.

"We pray for peace and goodwill among people, but now we are suffering," he said. "All just proposals for a peaceful solution for the Kosovo problem based on respect for all people have been rejected. NATO has offered only a cynical explanation about the necessity

of bombing to prevent a human catastrophe."

Milica Sabinovic, a 29-year-old obstetrics nurse, lives near the air force headquarters in the center of Zemun bombed by NATO. "I was walking my dogs when it happened," she said. "It was terrible that night."

"This Easter is a celebration, like always, but even more holy, more precious, because of everything the people from the outside are doing to us," she said.

Ms. Sabinovic, who is without telephone service after the bombing, said that she has surmounted her fears. "I prayed with all my heart before the fear went away," she said. "Prayer is better than any sedative."

Asked if she thought Serbian forces were committing atrocities in Kosovo, she said: "If ethnic cleansing were going on, I would speak out against it. But it's not true," she said sweetly. "Half my family is from Kosovo, and the problem in Kosovo are all the Albanians that Tito let in, who don't even have Yugoslav papers."

"We should pray for everyone of every religion," she said. "And for our enemies, we should probably pray even more."

## NATO: 8,000 Soldiers Will Go to Albania to Help Cope With Flood of Kosovo Refugees

Continued from Page 1

fields and other infrastructure that would be needed.

Rejecting warnings from Belgrade, which sees Albania as a natural ally of the ethnic Albanians, the Serbian forces are seeking to crush in Kosovo, Mr. Milo backed the NATO offensive, saying:

"It is clear that NATO's firm strikes against Milosevic's tyranny is the greatest assistance that could be received by the Albanians" in Kosovo.

The risks of spills were underlined later Sunday in the latest of a series of incidents along Albania's border with the Serbian province of Kosovo, a mountainous, inaccessible region used as an operations base by guerrillas of the Kosovo Liberation Army.

Local police officials reported that Serbian artillery had shelled three villages along the frontier, apparently doing little damage.

Several times in recent days, Belgrade has said that its forces were fighting KLA units using Albanian territory as a sanctuary.

NATO officials said that allied units were being sent to Albania as part of a larger reorganization of relief work being carried out there and in Macedonia by U.S., French, Italian and other military units already in Macedonia as part of a 12,000-strong allied force there awaiting peacekeeping duties after a Kosovo accord.

Already, Albania foresees a larger NATO role in a postwar Kosovo, which sounded close to a protectorate in Mr. Milo's comments. He implicitly rejected the idea of ethnic Albanian-Serb coexistence, as suggested in the peace plan drafted in the talks at Rambouillet, France.

Albania's hostility to any suggestion of partitioning Kosovo between Serbs and ethnic Albanians is shared by Washington. Officials have ruled out such an outcome. It is "a very dangerous idea," Deputy Secretary of State Strobe Talbot said Sunday on CBS television.

One of the things "we are fighting against," he added, is the idea that "statehood, nationhood, citizenship should be defined in terms of ethnicity and religion." Other officials said that Slobodan Milosevic, the Yugoslav president, should not be rewarded by any deal that would consolidate his hold over even part of Kosovo.

Mr. Talbot, speaking publicly for the first time since his return from a visit to the region last week, stopped short of branding Mr. Milosevic a war criminal, despite charges by U.S. officials of Serbian war crimes in Kosovo.

Eager to demonstrate a solid con-

sensus, Secretary of State Madeleine Albright was scheduled to meet the foreign ministers of NATO members on Monday at alliance headquarters in Brussels.

While publicly insisting that the alliance will adhere to its present approach of an air war and a political deal with Belgrade, the session will also allow NATO leaders some private exchanges on a possible ground war if Mr. Milosevic refuses to buckle under the air offensive, which is now approaching its third week.

The total civilian toll of the allied bombing, according to a Yugoslav official quoted Sunday in the Belgrade media, was 300 dead and 3,000 wounded.

This figure far exceeds the indications given by NATO that missiles have occasionally gone astray despite allied accuracy and restraint in risking civilian casualties.

Nor has there been independent confirmation of damage on such a scale, even when some Western reporters have been taken on supervised visits to attack sites by Serbian officials.

Over the weekend, NATO missiles



A Yugoslav soldier crossing himself as he and another pray on the Orthodox Easter at a 14th-century monastery near Pristina in Kosovo.

Credit: Gamma Liaison

toppled a broadcast relay tower on a hill overlooking the Pristina airport, knocking Serbian state-controlled television off the air there.

NATO commanders have threatened to silence Serbian broadcasting because of its propaganda benefit to Belgrade.

Responding to calls for more air-power to press home the campaign, the Pentagon said Saturday that 82 additional U.S. warplanes were being sent to Europe.

At the same time, Britain announced it was sending the aircraft carrier Invincible to the Adriatic to support the bombing campaign, and France, too, has sent more ground-attack planes.

Acknowledging the existence of offtime plans for ground troops, U.S. officials insisted Sunday that an intensified NATO air campaign would be sufficient to prevail over the Serbs.

Talk of ground troops has fueled exacerbation in Russia, and Mrs. Albright was to travel from Brussels to Oslo for talks Tuesday with Foreign Minister Igor Ivanov, apparently hoping to reinforce U.S. hopes that President Boris Yeltsin can find a diplomatic role, using his country's traditional ties with Serbia,

to persuade Belgrade to back down.

The Russian government has insisted that it will not be drawn into the military conflict, and Mr. Ivanov has denied hard-line Russian politicians' assertions that their nation's nuclear missiles were being retargeted on NATO countries.

On Sunday, Hungary halted a convoy of several hundred Russian trucks headed for Belgrade with food for Orthodox Easter, complaining that some of the trucks were military vehicles that might be used by Serbian forces, news reports said.

For the first time, a senior NATO official said publicly that Mr. Milosevic seemed to be close to giving in. Javier Solana Madariaga, the NATO secretary-general, said Sunday there were signs of "positive" diplomatic movement.

Last week he was prompt, along with officials from member states, to reject a Serbian cease-fire offer, insisting that only the retreat of Mr. Milosevic's forces could halt the air strikes.

But when asked on BBC radio Sunday if there was any sign of movement in Belgrade, Mr. Solana said: "I think all the signals coming in the last days, last hours, go in that direction."



A convoy of 73 trucks headed for Serbia with humanitarian aid from Russia and Belarus, including food, blankets, medical stores, disinfectants and medicines, arriving at the border between Hungary and Ukraine.

## ALLIANCE: Conflict Spoils Anniversary

Continued from Page 1

"It may be that NATO's first major engagement turns out to be a failure," he said. "And that forces you to ask: What is NATO for? What good is NATO if it can't deal with a tinpot dictator in the middle of Europe?"

U.S. diplomats and White House officials know that the future of NATO depends on the outcome in Kosovo. The new "strategic concept" that will be put forth at the summit meeting by Mr. Clinton is supposed to supplant a doctrine that has not been updated since 1991, before the enemy that NATO was created to resist — the Soviet Union — folded its tent.

This new concept calls for NATO to fight outside its members' borders to defend their interests, in places such as the Middle East and South Asia.

This global ambition is now being tested daily in battle in the Balkans.

"Our publics and our parliaments will evaluate the Washington summit's decisions about NATO's role in managing future crises on the basis of how well we manage this one," said Alexander Vershbow, the U.S. representative on the North Atlantic Council, the political arm of NATO.

While no one knows how or when the war might end, it is now clear that "if this mission fails, NATO fails," said Mr. Daalder.

"A few people have said, 'Why don't you cancel this?'" Mr. Bandler said.

"We don't think that makes any sense." He vowed that the summit meeting would be "serious and sober," not "triumphant."

Triumph is the least likely atmosphere for the gathering, said Ivo Daalder, who left the National Security Council in 1997, where he had been senior staff member in charge of European issues.

Continued from Page 1

The villagers said they had caught no glimpse of the tens of thousands of refugees whose waiting column was suddenly turned back in the middle of the night.

They confirmed accounts of a line of burned and destroyed tractors and other vehicles along the highway from Prizren to Szur, the last village about three miles north of the border. What happened to the missing refugees, estimated by aid workers to number 80,000, remains a mystery.

Mysterious, too, was why the entire village of Vragoljica was allowed to leave after the Serbs slammed the border shut at midweek.

One possibility is that its location, on the southern approaches to Kosovo's capital, Pristina, and near the city's military and civilian airfield, was considered strategic and that the military wanted to take it over as quickly as possible.

The villagers said that as they gathered on the road to leave, the Yugoslav Army shelled and then set fire to the village. Serbian forces also tore up all their identity documents, saying it was to insure they would never return, they said.

The villagers said they had been surrounded for more than a week by Serbian forces. Then, on Friday morning, the villagers were told they had to vacate the village immediately. At first they thought they had to go on foot but then they were sent back to get whatever vehicles or horse-drawn wagons they had.

Originally, they were told they were going to Macedonia but as they left, they

said, they were told the destination was Albania.

Instead of being directed along the main road that winds directly southwest from Pristina through Prizren and to the border with Albania, the refugees said, they were directed by troops at each intersection over secondary highways in a wide loop about three times as long, first west, then south to Djakovica, then east again before hooking up with a highway below Prizren.

Again, the choice of route was mysterious. The main road may have been congested with military vehicles. Or there may have been something along the road that the Serbs did not want the Albanians to see.

"It's a desert," said Bashkim Pilana, 25, of the landscape he traveled. "There are houses burned and destroyed cars everywhere on the street. There are horses and cows. Nobody was there but the Serb forces, mainly the paramilitary, who jeered and insulted us along the way."

"The Serbian forces have left their barracks, and are stationing themselves in the houses and the villages," he went on. "Now they are in every village with tanks and artillery and every kind of weapons imaginable."

At one point, villagers said, their refugee convoy was overtaken by a column of about 20 tanks headed west from Pristina, some tanks traveling under their own power and others aboard trailer transports.

For six miles (10 kilometers), said Xhemal Slavniku, 64, "I have seen a line of burned trucks and tractors, and even where they killed the horses and burned the carriage."

## Win or Lose, Milosevic's Fate Is Tied To Kosovo

By Roger Cohen  
New York Times Service

**BERLIN** — The French writer André Malraux once warned a Serbian visitor of the danger of an "Algerian war" in Kosovo. He added, "And your Algeria will not be on another continent, but in your homeland."

More than two decades after that prediction was made, it appears to have come true. The resistance of an overwhelming majority of ethnic Albanians fiercely opposed to what they see as colonial Serbian oppression has passed beyond the intermittent rioting of the 1980s to the war of today.

The Algerian war, a brutal struggle for Algerian independence from France, brought the fall of the French Fourth Republic.

Whether President Slobodan Milosevic's autocratic Yugoslav regime can survive the fighting in Kosovo remains a question. But it

The Kosovo Problem / An 'Interim' Government?

## Serbs See Progress in Talks on Kosovo and Put Death Toll at 300

By Steven Erlanger  
New York Times Service

**BELGRADE** — Serious talks are under way to form an interim government for Kosovo, a senior Yugoslav official said over the weekend. He also said that more than 300 civilians died and nearly 3,000 more were wounded in the NATO bombings.

These are the most concrete figures for civilian casualties to emerge since the air strikes began, although they cannot be independently confirmed. There has been virtually no information about Yugoslav military casualties, which are considered a state secret in wartime.

The official also said that the moderate ethnic Albanian leader, Ibrahim Rugova, was continuing talks with top Yugoslav officials on an interim political solution, having met again on Friday in Pristina with two deputy prime ministers, Nikola Sainovic and Ranko Markovic.

### Serbs' Downing Of 'Stealth' Jet Laid to Spotters And Much Luck

By Eric Schmitt  
New York Times Service

**WASHINGTON** — Ever since a U.S. Air Force F-117 crashed in Yugoslavia on March 27, Pentagon officials have puzzled over what could have brought down one of the world's stealthiest warplanes.

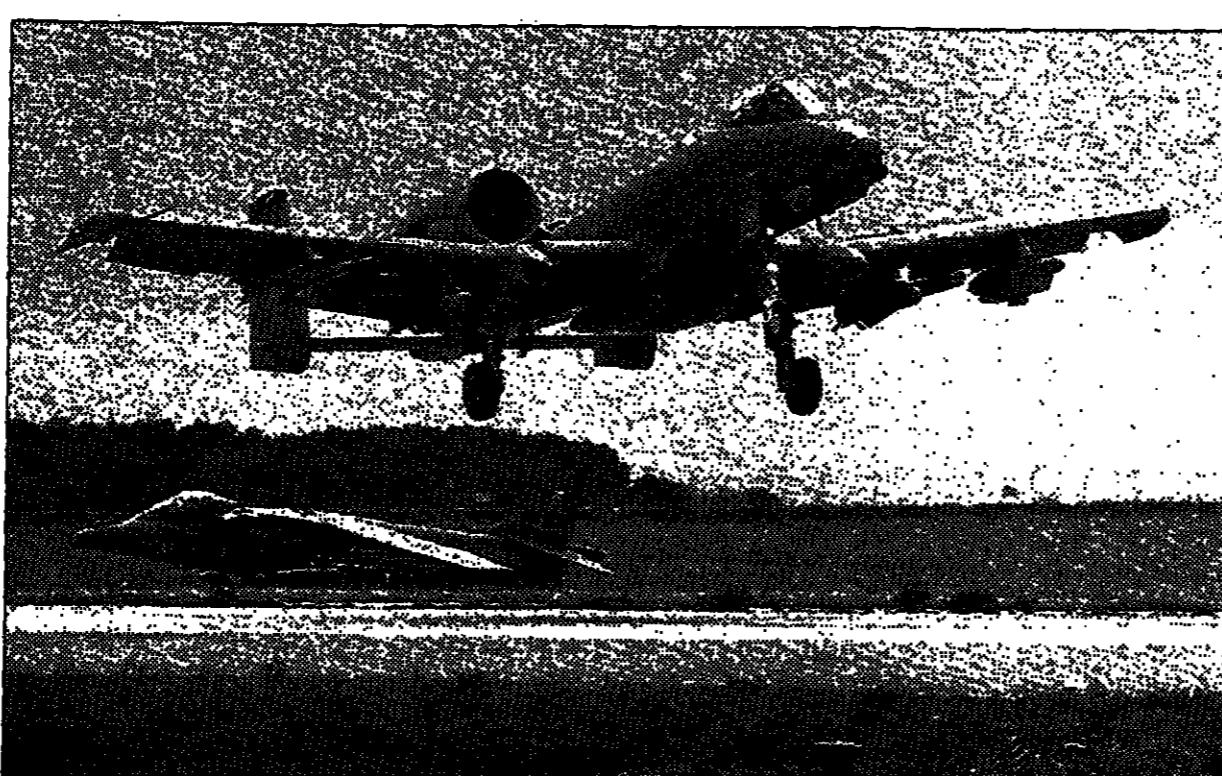
After extensive interviews with the pilot, a review of technical clues and an analysis of how Serbian air defenses have been operating, a secret air force inquiry is coming to the conclusion that a combination of tactics, quick learning and luck came together in one brilliant moment to shoot down the premier attack jet in America's arsenal.

The culprit, according to the inquiry, was an SA-3 surface-to-air missile that probably had not been used in the normal fashion, in which its operators would rely only on their own local radars to detect the target.

Air force and other military officials say that Serbian spotters in Serbia, and perhaps in Bosnia-Herzegovina and along the coast of Montenegro, may have patched together enough quick glimpses of the warplane from scattered radars to track the elusive aircraft, however briefly, before firing a missile from a battery near Belgrade.

The Serbs used their radar sparingly, officials say, to avoid a counterattack by the NATO fighter.

For the Serbs, it was a long-shot, low-tech solution to a challenge posed by one of the most sophisticated warplanes in the world, Pentagon officials said. In the end, it may have been tactics aided by a



A U.S. Air Force A-10 'Warthog' tank-hunting plane landing Sunday at Gioia del Colle air base in Italy.

lot of luck. "We think whoever did this won the lottery that night," a senior American officer said.

NATO and Pentagon officials have such respect for Yugoslavia's air defenses that low-flying attack planes have flown only a handful of strike missions.

But shooting down an F-117 showed unusual skill. In addition to its radar-absorbing skin and radar-scanning angles, the F-117 typically flies a zigzag pattern to avoid tracking.

The plane is barely visible to most radars. It is most vulnerable when turning suddenly at low altitudes, a move that can reflect radar beams to receivers, or when opening its bomb-bay door.

What U.S. military officials now sus-

pect is that Serbian spotters, perhaps starting with spies in Italy watching the F-117s take off, were able to work out a rough schedule of how long it took the planes to cross the Adriatic and how long to fly to Belgrade.

Knowing this, Serbian radar operators would have a better idea of when and where to watch. Once a shadowy figure crossed their screens, they would alert the operator down the line. The F-117 dropped at least one of its laser-guided, 2,000-pound bombs near Belgrade, so that was another clue.

Analysts are unsure whether Serbian gunners were able to integrate a net of far-flung radars to feed the location of the plane to a missile launcher, or to cue

up the SA-3's own radar so the operator had only to briefly flip it on to track and fire.

Here is the account that experts now say is the most likely scenario:

The F-117s, operating out of the Aviano air base in Italy, typically were flying at medium altitude, from 15,000 feet to 25,000 feet (4,600 to 7,600 meters), out of reach of most of Yugoslavia's anti-aircraft fire and surface-to-air missiles.

At about 8:45 P.M. on March 27, the F-117 was heading back to base. Suddenly, an SA-3 missile streaking at three times the speed of sound and guided by an improvised network of Serbian radars exploded a few feet from the plane, slamming it into an uncontrolled dive.

Cockpit alarms usually warn an F-117 pilot when a surface-to-air missile radar is homing in. But the Yugoslav military fears the anti-radiation missiles that NATO warplanes launch at these radars, it has largely turned them off.

It is unclear whether the pilot got any warning of the missile bearing in on him. If he did, it was probably too late. Stunned by the explosion, he struggled against pressure five times the force of gravity to yank the handles below his seat to eject from the crippled warplane.

The one fragment of this whole event I can't remember is pulling the handles," the pilot said in an account the air force released last week. "God took my hands and pulled." Seven hours later, a commando team snatched the downed pilot from behind enemy lines and whisked him back to allied hands.

and the Organization for Security and Cooperation in Europe had both asked for him to visit. "But he's most needed here to participate in the process right now," Mr. Vujovic said.

Foreign Ministry officials regularly deny NATO allegations that Serbian forces are committing atrocities in Kosovo. They say that the Kosovo Liberation Army has been fighting a war against the Serbs and that it is difficult to separate the rebels from the civilians who support them. They have rejected accusations of mass killings as well as the existence of an organized policy of "ethnic cleansing," attributing the flight of Kosovo citizens to fear of NATO bombings.

Asked about a New York Times report quoting U.S. officials saying that up to 700,000 ethnic Albanians are displaced inside Kosovo and running out of food, Mr. Vujovic said the numbers are "grossly exaggerated."

Before the bombings began, he said, "I can guarantee you, there were not 700,000 displaced

people there." Mr. Vujovic went on to ask: "Who makes the humanitarian catastrophe? NATO says it is bombing to prevent? The bombs themselves or Serbs chasing the people? Kosovo has had the greatest bombings, and who would sit in their houses when the bombs are flying?"

He complained that when the Yugoslav authorities ask the ethnic Albanians to remain in Kosovo, they are accused of endangering them. "If they go, we are to blame. If they stay, we are also to blame. It's a no-win for us."

Mr. Vujovic noted with satisfaction that NATO had finally admitted that one of its bombs had hit a residential part of Pristina.

He said that 12 civilians had died from a bomb that landed in the center of the town of Cuprija on Thursday night, leaving 400 families homeless.

One hundred twenty-four other people were wounded when the Zastava automobile and munitions factory was bombed in Kragujevac, Milan Beko, the factory manager, said Saturday.

Q &amp; A / Michael Zantovsky

### Czechs Overcoming 'Hesitation' on Raids

**Kosovo** is a tumultuous early test for the new NATO allies, the Czech Republic, Hungary and Poland, which joined only 12 days before fighting erupted. The chairman of the Czech Senate's Committee on Foreign Affairs, Defense and Security, Michael Zantovsky, a former Czech ambassador to Washington, spoke with Joseph Fitchett of the International Herald Tribune about the conflict's regional significance.

Q. How has Prague reacted?

A. Polls show steady increases in support for NATO's action, but government and public opinion weren't quite ready initially, so hesitation, even opposition, created a split from the first.

It's our first foreign policy debate as a democracy. Pro-NATO internationalists have become firmer, and the isolationists' "know-nothing" approach has become clearer. They say that we don't have a dog in this fight and if we did it should be Serbs who have a claim on our sympathy because of historic ties, including the Czech educators who were important to Serbia. Pacificists say don't bomb, only negotiate. Others say we are too small and poor to contribute effectively.

Q. And the result?

A. We're getting ready to send a military hospital to Macedonia and a transport plane, both under NATO command. If the alliance contemplates ground troops, we will have a heated debate, and the outcome is uncertain. We have very strong constitutional constraints requiring parliamentary approval, to send forces abroad. But I think it would be untenable for a Czech government to stay out. We joined NATO not just for protection but to share risks.

The Poles have been supportive of the alliance's action; they've already pledged troops for peacekeeping, and I would expect them to join a ground action.

Hungary is a special case. It is the only ally with no NATO member on any of its borders and the only ally bordering on Serbia. With a Hungarian minority in Serbia, Budapest is understandably nervous.

Q. What are your main fears in the crisis?

A. We've been watching deliberate political manipulation by former Communist leaders who incite hatred and ethnic cleansing as the only way they can stay in power, a technique in which [President Slobodan] Milosevic has succeeded only too well. The same process was

under way in Slovakia under its previous government. We see a similar process in Belarus. We can't let this spread because it could totally reverse the process of democratization throughout the region. The risk is of failed states ruled by criminals who use political power for crime on an international scale.

Albania by all accounts of the collapse there two years ago, showed it was no longer a functioning state in the full sense of the word. Macedonia, strained by refugees now, shows signs of reaching dangerous limits. Romania and some other states have not failed, but the current pressures could bring them down. In other words, this touches not just our humanitarian concerns but our vital interests.

Q. What about Albania and the Kosovo Liberation Army of ethnic Albanians? What are their political dynamics?

A. We know very little about them as entities or individuals because Albania was cut off until recently and is still turned inward. Compared to other societies in the region, they are very traditional, operating basically on clan principles in which family ties are stronger than political values. Their social structure is not readily compatible with modern states, and we should be careful not to assume or pretend that it is.

With the KLA guerrillas, there are some risks comparable to what happened in Afghanistan, not necessarily in the sense of Islamic fundamentalism but as situations where success could involve a rebel army of very young people with little education and no institutional loyalties — and the risk of a power-worship mentality. In the Balkans, the situation could resemble the problems in Sicily or Corsica — only worse because we're closer geographically to the failed states in central Asia left by the Soviet Union's collapse.

Q. Speaking of Russia, which is opposed to NATO enlargement and to NATO intervention in Serbia, do you think that the Kosovo crisis should make the alliance open up membership now to new allies?

A. Only in the event of an intervention in the conflict by a third country such as the one you mentioned. If ever that should happen, our reaction should be to bring in Romania and Bulgaria immediately, if they still wanted to join, without wasting a day. Otherwise the natural priority is the open wound in ex-Yugoslavia. Kosovo will have to be rebuilt from scratch.

### Thaw With Russia Worries Some Israelis

The Associated Press

**JERUSALEM** — Leaders of the Israeli opposition warned Sunday that the government's recently warmer diplomatic toward Russia threatened to undermine crucial relations with the United States at a time when Washington and Moscow were at odds over Serbia and Kosovo.

Foreign Minister Ariel Sharon left for Moscow in what he said was an attempt to hint Russian sales of nuclear technology to Iran.

Newspapers here have quoted intelligence officials as saying the Russians

were using their recent reconciliation with Israel as leverage in their talks with U.S. officials over the nuclear sales, which Washington is striving to stop.

Yitzhak Mordechai, a former defense minister who heads a centrist party challenging Prime Minister Benjamin Netanyahu in the May 17 elections, charged that Mr. Sharon was undermining U.S. efforts to stop the sales of nuclear technology. "It is the biggest threat to the existence of Israel," Mr. Mordechai said of the developing Russian-Iranian relationship.

The State Department has avoided

comment on Israel's thaw in relations with Russia, and Mr. Sharon says that his visits have U.S. support.

Mr. Sharon's three-day trip to Moscow is his second within a month and comes as Israel continues to avoid making a statement supporting the NATO air strikes against Serbia.

Shimon Peres, a leader of the opposition Labor Party and a former prime minister, said the wavering over the issue of Kosovo — and the apparent playing off of Washington against Moscow — risked ruining "good relations with the United States."

The one fragment of this whole event I can't remember is pulling the handles," the pilot said in an account the air force released last week. "God took my hands and pulled." Seven hours later, a commando team snatched the downed pilot from behind enemy lines and whisked him back to allied hands.

"I have no doubt that what the Serbs are doing in Kosovo is even worse," Mr. Howeidy wrote, adding, "Anyone who purports neutrality is a traitor to the wretched Muslims of Kosovo."

But most other Arab commentators, and Arab leaders themselves, have shied away from casting the conflict as a religious war, an idea that many see as a dangerous proposition. And while the United States and its allies have vowed that the refugees will be returned to their homeland, the exodus of the Kosovars has served to remind many Arabs of what they recall as a past Western betrayal.

In the Middle East, the flight of the Kosovars to Macedonia and Albania looks much like the flight of Palestinians to Jordan, Syria and Lebanon after the creation of Israel in 1948. That, too, was described at the time as a temporary uprooting, but it has proved effectively permanent.

"Is history repeating itself?" the Syria Times asked last week, questioning whether Washington and its allies will prove any more willing to fight for the return of the Kosovars than they were for the return of the Palestinians who are still in refugee camps around the Arab world. The skepticism reflects a gap between Arab public opinion and U.S. policy that has only widened in recent years, driven mostly by Arab bitterness toward what is seen as Washington's one-sided handling of Israel and Iraq.

### Conflict Deepens Arabs' Ambivalence Toward West

By Douglas Jehl  
New York Times Service

**DAMASCUS** — More than two weeks into NATO's bombardment of Yugoslavia, with the air attacks aimed at punishing Christian Serbs for their persecution of Muslim Kosovars, the Islamic world was presented with a U.S. military campaign that it could identify with.

After all, the United States and its allies were clearly siding with Muslims this time, not reflexively bashing Iraq or unthinkingly supporting Israel.

But the reaction has been anything but simple. Sympathies for the ethnic Albanians of Kosovo, most of whom are Muslims, are strong in the Middle East, but they are mingled with another powerful sentiment — an abiding mistrust of the West, whose resort to force against the Serbs is seen as something much less than heroic.

Only Jordan and Egypt have even gone so far as to withdraw their ambassadors from Belgrade, the Yugoslav capital. Not a single Arab government has openly endorsed the NATO air strikes, and Iraq, Libya and Iran have condemned them.

In the Islamic world, of course, the Kosovars who have been driven from their homes are much more than generic civilians. They are fellow Muslims, and many in the Middle East say they are being made to suffer because of their religion. In genuine solidarity, Arab and Muslim countries have dispatched tens, food and other supplies to the Balkans to assist the victims.

But against the backdrop of recent history, the U.S.-led air assault is viewed by most Arabs and Muslims with an uneasy ambivalence. One source of the discomfort is a suspicion that the offensive may have accelerated the Kosovar Albanians' expulsion from their homeland by the Serbs.

A larger reason is rooted in the way



Palestinians burning Yugoslav flags in Gaza City on Sunday to show support for NATO's battle with the Serbs. But the demonstrators also criticized the West's motives in the bombing campaign.

most Arabs and Muslims interpret recent history. Until the Kosovo crisis began, after all, the focus of U.S. military might had been squarely on the Islamic world, with cruise-missile strikes in Afghanistan, Sudan and Iraq in the last eight months alone.

Arab and Muslim leaders have protested each of those assaults, saying they should at least have been preceded by U.S. authorization. And yet, once again in Kosovo, the United States and its allies have bypassed the United Nations, intensifying what in Arab eyes was already a worrying trend.

It may be Serbs, not Muslims, who are the targets this time, but the offensive appears to many Arabs and

other Muslims as more of the same: a new case of Western heavy-handedness.

The next time the United States and its allies decide to unleash military might, they warn, a Muslim country will probably be the target again.

"Is any Muslim feeling safer?" Iran's top religious leader, Ayatollah Ali Khamenei, asked bitterly in a speech in Tehran last week, referring to the attacks on the Serbs. He said of the West, "In the name of democracy, they feel entitled to use the strongest measures against those who disagree with them."

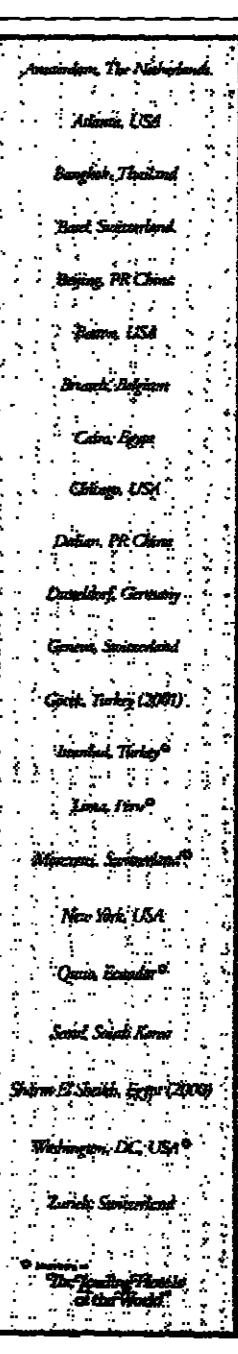
Still, the reaction has not been uniform, and some Arab intellectuals who have been outspoken critics of



swissotel

A Passion for Perfection

For reservations, call your travel professional or Swissotel at: America, Belgium, Denmark, France, Germany, Norway, Spain, Sweden, Switzerland, United Kingdom: 00 800 637 94771 • Italy: 167 781 056  
Elsewhere in Europe, call Switzerland: +41 69 66 419 613  
www.swissotel.com



# International Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

## Hi-Suited Airpower

Reflecting on NATO's setbacks in Kosovo, former Senator Sam Nunn dryly observed on NBC's "Today" show that the alliance has so far proved to be less effective at waging war than it was at deterring one during the long confrontation with the Soviet Union.

With the U.S. Congress reconvening this week, a noisy debate over NATO's strategy and performance is sure to be joined. It ought to be informed by a realistic sense of the limitations of airpower and a healthy appreciation for the complexities of this conflict. Important lessons can already be gleaned from this war that may help the United States and its allies prevail in Yugoslavia as well as future conflicts.

Even with the ragged start in the Balkans, NATO air supremacy should be sufficient over time to grind down Serbian resistance and bring Slobodan Milošević to a political settlement. The pace has been slowed in part by bad weather and a decent regard for the safety of NATO pilots.

But in an era when airpower is the preferred form of American armed intervention abroad, it is apparent that the Pentagon needs to develop more effective and varied ways to use its arsenal of warplanes, cruise missiles and precision bombs. It may also need to adjust the mix of weapons it buys and maintains, and be ready to deal with an exodus of refugees that often materializes when ethnic conflicts subdue intensity.

The allure of airpower dates back to the second world war, though it has often proved less decisive than its champions hoped at winning conflicts or changing enemy minds. But since the heavy casualties and domestic political upheavals of the Vietnam War, American leaders have understandably limited their use of ground troops, relying instead on bomb and missile attacks. Even in the Gulf War, the allied land invasion of Kuwait and Iraq was preceded by more than a month of intense aerial bombardment.

In Kosovo, policymakers and military planners assigned air forces to achieve military and political objectives that were at least initially difficult to attain with the chosen weapons and tactics.

That was based in large part on an expectation that Mr. Milošević would likely retreat quickly in the face of a NATO attack. In late 1995, NATO bombing in Bosnia, along with Croatian military gains on the ground,

— THE NEW YORK TIMES.

## Brazil's Achievement

Just a few months ago, Brazil was widely being given up for dead. The country seemed destined for a deep and traumatic Asian-type recession, and the political system looked plainly unable to check the fall. As the largest economy in South America and one of the 10 largest in the world, its expected fate was awaited with growing expectation in the hemisphere and, not least, in the United States, a substantial trading partner. But the worst was averted, or at the very least staved off, while Brazil mounted a brave counterattack.

In January, Brazil conducted a crisis devaluation of its currency, the real. It was a cruel blow to a lower class already absorbing severe punishment and also to a middle class scarcely more securely perched on the lower rungs of a society notorious for its income disparities. Yet the devaluation lowered inflation and did not produce the widely feared Brazilian meltdown. Government policies produced enough progress in belt-tightening, in public spending cuts and in the pace of privatization to bring about a crucial \$41.5 billion debt renegotiation with the International Monetary Fund in March.

For the results that have been registered so far, major credit must go to

— THE WASHINGTON POST.

## Other Comment

### A Voice From Belgrade

The simple truth is that the people in Belgrade and Serbia are suffering from the bombing. But are the Albanians in Kosovo benefiting? I do not think so.

My guess is that many of the 300,000 ethnic Albanian refugees in Montenegro, Albania, Macedonia and Serbia proper have run away from the NATO bombing as much as from the Serbs.

After more than two weeks of bombing, the Serbian paramilitaries and the

— Aleksa Djilas, a historian, commenting in *The New York Times*.

## International Herald Tribune

ESTABLISHED 1887  
KATHARINE GRAHAM, ARTHUR OCHS SULZBERGER  
Co-Chairmen of the Board

PETER C. GOLDMARK Jr., Chairman and Chief Executive Officer  
RICHARD WOODBRIDGE, President and Chief Operating Officer  
MICHAEL GETLER, Executive Editor  
• WALTER WELLS, Managing Editor • PAUL HORVITZ, Deputy Managing Editor  
• KATHERINE KNORR and CHARLES MITCHELLOW, Deputy Editors  
• ROBERT J. DONAHUE, Editor of Editorial Pages  
• JONATHAN GAGE, Business and Finance Editor  
• SAMUEL AIT and NICK STOUT, Associate Editors  
• RENE BONDY, Senior Vice President and Chief Financial Officer  
• DIDIER BRUN, Circulation and Development Director  
• STEPHEN DUNBAR-JOHNSON, Advertising Director • JAN WALTHAM, Marketing Director  
Directeur de la Publication: Peter C. Goldmark Jr.

International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92521 Neuilly-sur-Seine, France.  
Tel: (1) 41-43-93-00. Fax: Subscriptions, (1) 41-43-92-10; Advertising, (1) 41-43-93-00; News, (1) 41-43-93-00.  
Internet address: <http://www.iht.com>  
Editor for Asia: Michael Richardson  
5 Canterbury Rd., Singapore 119800. Tel: (65) 472-7768. Fax: (65) 274-2334  
#201, 191 Java Road, Hong Kong, Tel: 852-2922-1188. Fax: 852-2922-1190  
General Manager, Germany: Thomas Schäfer  
Friedrichstr. 15, 60323 Frankfurt/M. Tel: +49 69/971250-0. Fax: +49 69/971250-20  
Regional Director, The Americas: Michael Geiger  
850 Third Ave., New York, N.Y. 10022. Tel: (212) 752-3800. Fax: (212) 755-8785  
U.K. Advertising Office: 30 Marsh Wall, London E14 9TF. Tel: (171) 510-5400. Fax: (171) 506-3401  
S.A.S. (as capital de 1.200.000 F. RCS Neuilly B 73201226. Commission Particulière No. 61337  
6/99, International Herald Tribune. All rights reserved. ISSN: 0294-802

## A Hard-Line Force Threatens East Timor's Future

By Andrew McNaughtan

DELL, East Timor — After some encouraging progress toward a negotiated solution of the East Timor conflict, there are now ominous signs that the peace process is being deliberately derailed. Unless prompt and effective action is taken by the United Nations to establish a policing or peacekeeping presence, East Timor could become like Cyprus — a divided and disputed territory.

The UN delegation charged with overseeing the voting procedure on the future of the former Portuguese colony, which was invaded by Indonesia in 1975 and annexed the following year, is continuing to make its preparations. The ballot on East Timor's future is tentatively scheduled for July. Meanwhile, East Timorese militia groups — created, paid and armed by the Indonesian military — are intensifying their campaign of terror and destabilization.

Ostensibly established to help the military maintain security in East Timor, the militias have become a fiercely partisan "local" force that is determined to do everything possible to prevent a free

and fair vote on the future of the territory, and to ensure that it remains part of Indonesia. Despite calls from many quarters, including the United States and Australia, that the militias should be disbanded, this has not happened. On the contrary, they recently increased their activities, especially in the region between Dili, the capital of East Timor, and the border with West Timor. They now control the main access roads from West Timor into East Timor.

The alleged massacre of dozens of villagers in the town of Liquica last week, which is known to be a center of support for independence, is only the latest of a series of killings and intimidation by these militias. Without the direct support of the Indonesian Army and the police, they would not be a real threat to East Timor's stability because an overwhelming majority of its people appear to want independence.

Yet the current UN plan for the territory does not envisage any steps to

disarm the militias or ask their Indonesian military mentors to leave before the vote in July. There is little doubt that the militias will attempt to coerce the population in the areas under their control, which cover about a quarter of East Timor, to vote for integration. This is a scenario for more bloodshed and an unrepresentative vote.

Assuming that the majority of East Timorese vote against Jakarta's autonomy package and thus for independence, the militia leaders, with the support of the Indonesian military, are likely to resist the transition to statehood and try to partition the territory by creating an extensive buffer zone under Indonesian control along the border with West Timor. This option has already been mooted in Dili by Abilio Soares, the Indonesian-appointed governor of East Timor. The leader of one militia group has also indicated that he will not abide by the result of the July 16 vote, as seems certain, his side loses.

If de facto partition occurs, the partitioned area would still contain a large number of Timorese who want to be independent. Continuing conflict would thus be almost inevitable.

By offering the autonomy vote, President B.J. Habibie of Indonesia may well be making a sincere attempt to resolve the East Timor issue. The Indonesian armed forces commander and defense minister, General Wiranto, may also be ready to acquiesce to East Timor's transition to independence.

The force driving destabilization in East Timor appears to be a hard-line and influential faction within the military that does not want the territory to break away because it would be a blow to national unity and military prestige. This group is evidently well-connected and well-funded. Unless its leaders are exposed and confronted effectively, they may sabotage the promise of a better future for East Timor.

The writer, an Australian doctor who has worked in the medical aid field in East Timor, is the convenor of the Australia East Timor Association. He contributed this comment to the International Herald Tribune.

## NATO Must Prepare for the Long Haul in the Balkans

By Anthony Lewis

LONDON — NATO now has three irreducible war aims: the removal of all Serbian military, paramilitary and police forces from Kosovo; the return of all the ethnic Albanian refugees, and their care and protection by an international force.

In Britain, as in the United States, Serbian atrocities have brought public opinion solidly behind those objectives. But the leaders of NATO are not so clear in stating them.

President Bill Clinton and NATO spokesmen, for example, have said that Slobodan Milošević must accept the plan he rejected at Rambouillet, France. But that proposal called for him to keep 5,000 Serbian troops in Kosovo and control its borders — an unthinkable outcome after the Serbian terror campaign. Could ethnic Albanian families be expected to live in confidence if at the end of the block there was a Serbian unit that had killed their husbands and fathers?

Even less clear is whether we are committed to the means necessary to achieve those objectives. That is the crucial question and a painful one, given the shameful miscalculation by the Clinton administration when it gave

the go-ahead for the air campaign against Mr. Milošević.

The president and his advisers evidently believed that after a whiff of gunsmoke, a few bombs, Mr. Milošević would say yes to Rambouillet. They were totally unprepared for his murderous attack on Kosovo civilians. They had no plan to house and feed refugees.

NATO air attacks over the first 10 days were pinpricks. Worst of all, no tactical aircraft were used against the Serbian forces in Kosovo to slow the killing and ethnic cleansing.

It was two weeks after the start of the air campaign when the bombing got serious. Mr. Milošević countered with his call for a cease-fire. His strategy now seems to be: I'll keep the remaining ethnic Albanians in their shattered land, under Serbian control, and let some refugees return if you stop the bombing.

That would be a thinly disguised Milosevic victory, indeed hardly disguised at all. It would abandon the Kosovar Albanians to their fate, and it would destroy NATO's credibility. So

Mr. Clinton and others were right to brush the first Milosevic gambit off.

But more peace proposals will surely follow, and it will not be right to dismiss them out of hand. If the refugees are our prime concern, as they should be, we must be willing to explore any serious diplomatic effort to end their misery quickly and get them home in safety. A willingness to talk will also serve to maintain NATO unity.

Some thoughtful people believe that Mr. Milošević will give enough ground under the pressure of intensifying air attack to make possible an honorable end. I do not. His record of murder and lies over the last decade argues that, if it is necessary to talk, one can have no confidence in doing business with him.

We must carry the air war much further, especially against his armed thugs on the ground in Kosovo. They should be harassed, trapped, deprived of heavy weapons, fuel and communications: driven out by force. Mr. Milošević's forces will also serve to maintain NATO unity.

Second, NATO must now begin to assemble ground troops, ready to enter Kosovo as a fighting force if necessary

or to be a protection force for returning refugees if and when the Serbian forces are gone. Ruling out ground forces at the start was a grievous political mistake, convincing Mr. Milošević that we were not serious. A majority of Americans, and a larger majority of Britons, now favor the use of ground troops.

Third, NATO must move more energetically to assemble evidence of war crimes by Mr. Milošević and his agents. The U.S. State Department took an important step last week when it announced that nine Serbian military commanders may face prosecution before the International War Crimes Tribunal. But the immunity of Mr. Milošević should end.

We have to face a hard fact: The United States and its allies must be in this for the long haul. Reconstructing Kosovo after the Serbian savagery will not be easy. Then we must work with surrounding countries to confine the Serbian ultranationalism that Mr. Milošević has aroused. It is a heavy obligation, but the alternatives are worse. James Hooper of the Balkan Action Council is right when he says, "The Balkans are the new Berlin: the test of Western will."

The New York Times

## For Milosevic and Saddam, Terror Is a Political Tool

By Jim Hoagland

WASHINGTON — The words can be the least important piece of interviewing a national leader. The music — the mists that emanate from the Great One, the body language, the evasions or unexpected silences — is more reliable. Especially lives on after The Chief's carefully groomed phrases drift off to the journalistic boneyard.

Fidel Castro remains vivid as Fidel as a human fog machine. Moammar Gadhafi is the painting of evil that Dorian Gray keeps hidden away. François Mitterrand was a feline, arched back and claws at the ready.

Mikhail Gorbachev's angry flush when challenged on his imprisonment of a dissident outlives his buried presidential promises to fix communism

and stay in Eastern Europe. So it is with the two brutal despots being bombed by the United States in separate air wars today: Slobodan Milošević of Serbia and Saddam Hussein of Iraq. U.S. rockets, and a mutual addiction to violence as the political tool of choice, unite them.

Little else does, except for this: When I interviewed them 15 years apart in their national capitals, one common characteristic sprang from each conversation that helps explain why Slob and Saddam now wear bull's-eyes on their chests.

Each man treated any mention of his opponents as an insult to his very presence.

and violence behind the desk that separated us. He spoke as

from a great distance, brazenly lying about what he just seen in Kurdistan. We argued and parted, and I was not surprised when he began a campaign of genocide and ethnic cleansing against the Kurds or when he brutally invaded Kuwait.

Mr. Milošević, more ferret than snake, circled each question anew, no matter how banal. He was the victim in this interview, squinting warily through a haze of cigarette smoke, a stoppered bottle of nitroglycerin about to tip over.

These two men have unleashed savagery from which the international community cannot avert its eyes. The reasons are more complex than the music of racism each played for me. In those reasons may lie a clue about the chances of bombing Mr. Milošević into the submission that Mr. Saddam defiantly resists.

The two are rulers whose countries, dreams and social systems were crashing down on their heads long before American bombs began to fall. They and their followers — the Serbs of former Yugoslavia, the Sunni Arabs who are a quarter of Iraq's population — are the "victims" of their own countrymen and of history, which reached out to oppress them anew.

There is one type of fear more devastating in its impact than any other: the systemic fear that arises when a state begins to collapse," wrote Michael Ignatieff in "Blood and Belonging," his penetrating book on nationalism. "Ethnic hatred is the result of the terror

that arises when legitimate authority disintegrates."

Fear is cause and effect for both dictators. They inflict fear on others to calm the rising terror among their own — who must also submit to a reign of blood and steel for their own good. They fight to control the local police station more than the national Parliament.

"See? They hate you," Slob and Saddam says to his populace as the bombs fall. "Only I can protect you from a world gone mad — or at least, get revenge for you." In the ruins of pan-Slavism and pan-Arabism, and of communism and Arab socialism, only tribal links remain.

A quarter-century of Saddam-watching convinces me that he goes to the extreme of his murderous logic. His people have failed him in wars against Kurds, Iranians, Kuwaitis and Americans. The Sunnis, unable to complete his great mission of rescuing them, deserve to perish, too.

To expect Mr. Saddam to negotiate seriously because sanctions or bombing hurt his people is to misunderstand a man who does not trust or value negotiating skills. His is truly a kill-or-be-killed world.

Is Mr. Milošević different? The nations of NATO will find out only by pursuing their air campaign with a relentless and patience that show Mr. Milošević he cannot export his people's terror to others. If he persists, he will leave NATO from him by an allied ground offensive.

The Washington Post

## IN OUR PAGES: 100, 75 AND 50 YEARS AGO

### 1899: Russian Famine

PARIS — The Chicago "Times-Herald" in an editorial on Russian militarism and the Russian famine says: "The millions that Russia spends every year for the support of a vast standing army, if applied to the promotion of agriculture and other industrial activities in the country, would make every peasant in the Empire self-sufficient, contented and prosperous."

Colonel Gadhafi and his henchmen would like immunity from American criminal and civil courts, as well as from international tribunals. They must not get it.

The courts must go wherever the evidence leads. No person or government should be able to get away with mass murder merely by giving up the lowest-level players, paying minimal compensation and allowing the passage of time and economic pressure to absolve them of responsibility.

The writer, a lawyer, lost his daughter in the Pan Am 103 bombing. He contributed this comment to The New York Times.

declared that the broadcasting of parliamentary debates is considered impractical, broadcasting apparatus is being installed at Westminster Abbey and St. Paul's Cathedral for the dissemination throughout Britain of Easter services.

### 1949: Nazis Convicted

NUREMBERG — In a precedent-making decision, a United States tribunal today [April 11] found five of Adolf Hitler's second-string subordinates guilty of participation in aggressive warfare. The importance of today's decision lies in the fact that for the first time in the Nuremberg war-crimes trials, German officials below the policy-making Cabinet rank were convicted of participating in aggressive warfare. Out of a total of 206 defendants in thirteen war-crimes cases — this is the last — only fourteen men

have been found guilty.

### 1924: Easter on Radio

LONDON — The broadcasting to

## HEALTH/SCIENCE

## A New Treatment for Fibroids

By Susan Gilbert  
New York Times Service

**N**EW YORK — For Kristie Wolek, the trouble started about a year ago, when her periods became so heavy that the blood loss made her severely anemic. She was exhausted all the time.

The problem was caused by four fibroids, benign tumors in her uterus that had been tiny and harmless for more than a decade but had recently begun growing rapidly. Two doctors recommended a hysterectomy, an operation to remove the uterus and the only sure cure for fibroids. Though Ms. Wolek, 43, did not want to have more children, she did not want a hysterectomy, either. But she thought she had no choice.

Shortly before she was to have the operation, however, she heard about a clinic that was offering a new, minimally invasive alternative. In August, Ms. Wolek had the operation called fibroid embolization, which shrinks the fibroids by blocking their blood supply. Instead of enduring major surgery and several weeks of recuperation, she felt fine in two days and has had no problems since.

Hundreds of American women have had the operation after learning of it not from a doctor but from the news. Though the same can be said for many treatments, fibroid embolization has attracted exceptional attention.

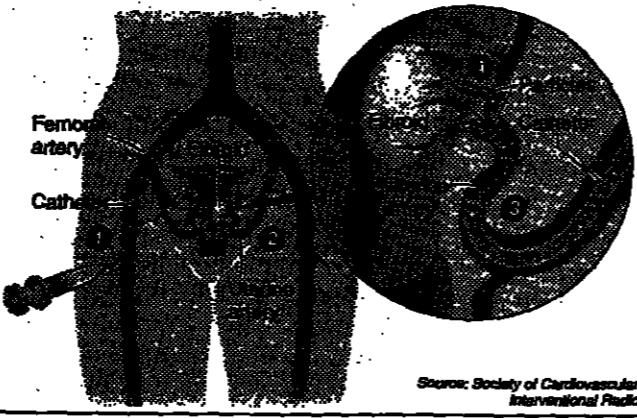
And some experts are concerned that its heavy promotion by doctors and medical groups on news programs and the Internet makes women think that it is an established treatment when it is not. "I think it's an interesting procedure," said Bryan Cowan, director of reproductive endocrinology at the University of Mississippi Medical Center in Jackson, "but, unfortunately, there are people who have run out and grabbed the banner and are touting this, with no evidence that it represents the standard of care."

Other hysterectomy alternatives have been developed,

## Shrinking Fibroids

Fibroids affect 20 percent to 40 percent of women over 35. Fibroid embolization, which reduces the size of tumors by blocking their blood supply, is an alternative to major surgery for some women.

- 1 A catheter is inserted into the femoral artery through a tiny incision in the thigh.
- 2 The catheter is moved into the uterine artery.
- 3 Tiny plastic or sponge particles are injected into the artery.
- 4 The particles flow to the fibroids. Within minutes the blood flow is almost completely cut off.



but recent studies have shown that this one requires minimal recovery time and reduces symptoms of those fibroids that resist other treatments.

"Women want this, or rather, they don't want surgery," said Gaylene Pron, an epidemiologist at the University of Toronto and coordinator of a study on fibroid embolization. "This is a women-driven technology."

Any woman of reproductive age can get fibroids, but they are most common in women over 35. The Society of Cardiovascular and Interventional Radiology says 20 percent to 40 percent of these women have fibroids of significant size. Fibroids run in families, though the cause is unknown. In most cases, they cause no symptoms and require no treatment. But if they grow large enough or appear in sensitive areas of the uterus, they can cause such problems as dangerously heavy menstrual bleeding, severe pelvic pain and possibly infertility and miscarriage.

At the annual meeting of the Society of Cardiovascular and Interventional Radiology in Orlando, Florida, last month, James Spies, vice chairman of radiology at Georgetown University Medical Center in Washington, said 89 percent of his patients had less menstrual bleeding and 96 had less pelvic pain. Tumor sizes shrank

by half, on average, he said. In the six years that patients have been followed, he said, none have had new fibroids grow. He said that 3 percent of women suffered complications, such as injury to the uterus and infertility. He also said that the treatment failed in fewer than 1 percent of the women, who then needed to have hysterectomies.

One of the biggest questions about the treatment is its effect on a woman's fertility. Though Dr. Spies and other doctors have had patients go on to have normal pregnancies, most of their patients are in their 40s and are not interested in pregnancy. About 1 percent to 2 percent of women go into premature menopause following the procedure, said Scott Goodwin, chief of cardiovascular radiology at University of California, Los Angeles Medical Center and the first doctor to do fibroid embolization in the United States.

Because of the risk of infertility, Dr. Goodwin and Dr. Spies do not recommend embolization to women who hope to become pregnant unless they are poor candidates for myomectomy and therefore would face infertility with any other fibroid surgery. There are less invasive kinds of surgery to get rid of

fibroids, like hysteroscopy, in which a fiber optic scope is inserted into the vagina to remove them. But for women with relatively large ones who hope to become pregnant, the only surgical option is myomectomy, abdominal surgery to remove the individual fibroids. But with myomectomy, about 10 percent of women need further surgery because the fibroids grow back, the American College of Obstetricians and Gynecologists reports. And doctors have found that myomectomy is least effective for women with multiple fibroids or those deeply embedded in the uterus.

Embolization seems to work on fibroids that myomectomy cannot eliminate, say doctors who have studied them. The procedure is usually done in a hospital with the patient under local anesthesia. The patient can go home the next day.

At the annual meeting of the Society of Cardiovascular and Interventional Radiology in Orlando, Florida, last month, James Spies, vice chairman of radiology at Georgetown University Medical Center in Washington, said 89 percent of his patients had less menstrual bleeding and 96 had less pelvic pain. Tumor sizes shrank

by half, on average, he said. In the six years that patients have been followed, he said, none have had new fibroids grow. He said that 3 percent of women suffered complications, such as injury to the uterus and infertility. He also said that the treatment failed in fewer than 1 percent of the women, who then needed to have hysterectomies.

One of the biggest questions about the treatment is its effect on a woman's fertility. Though Dr. Spies and other doctors have had patients go on to have normal pregnancies, most of their patients are in their 40s and are not interested in pregnancy. About 1 percent to 2 percent of women go into premature menopause following the procedure, said Scott Goodwin, chief of cardiovascular radiology at University of California, Los Angeles Medical Center and the first doctor to do fibroid embolization in the United States.

Because of the risk of infertility, Dr. Goodwin and Dr. Spies do not recommend embolization to women who hope to become pregnant unless they are poor candidates for myomectomy and therefore would face infertility with any other fibroid surgery.

## IN BRIEF

## Study of Women With Birth Defects

**N**EW YORK (NYT) — A new report from Norway has described the first large study to provide information about the lives of women with birth defects, and the health of their children: The women are less likely than others to have children, and those who do give birth run an increased risk of bearing a child with the same birth defect that they themselves have. But most children born to women with birth defects are healthy, and they face no increased risk of any type of defect except their mother's.

The study, published Thursday in The New England Journal of Medicine, was based on the birth certificates of 459,433 women born in Norway from 1967 to 1982, including 8,192 with birth defects. Allen Wilcox, an author of the report and chief of the epidemiology branch at the National Institute of Environmental Health Science, said it would be almost impossible to conduct such a study in the United States, where about 150,000 babies are born with birth defects each year.

"We don't have the capacity to link a woman's birth records to the birth of her children," Dr. Wilcox said. "The system in Norway offers a resource for epidemiologists that doesn't exist in most places."

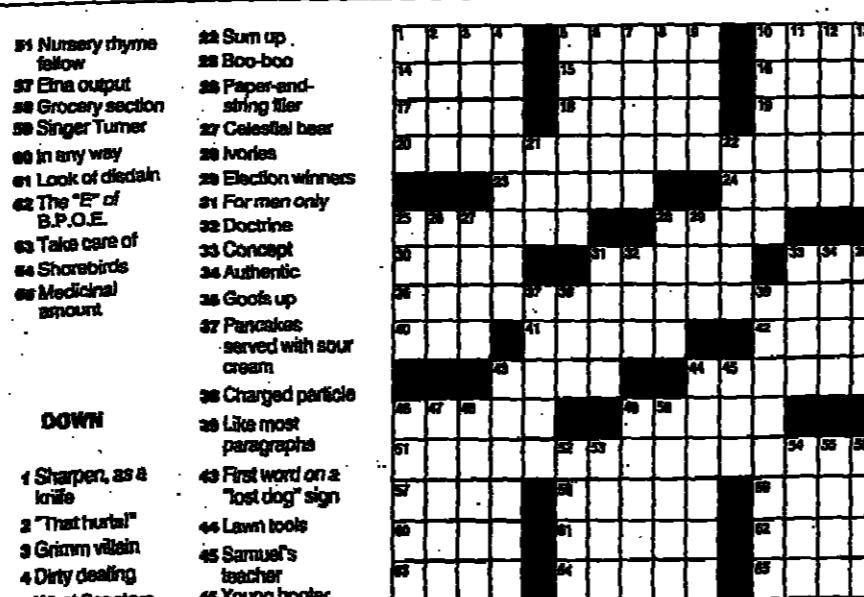
Donald Mattison, medical director for the March of Dimes in the United States, said the study could help people to estimate the risks of passing specific birth defects along to their children. "And it assures them that they're not at greater risk for something other than what they have."

## Another Benefit of Estrogen Treatment

**C**HICAGO (AP) — Post-menopausal women undergoing estrogen treatment may get the added bonus of an improved memory, researchers say.

A study at the Yale University School of Medicine of 46 post-menopausal women found that estrogen increased activity in regions of the brain associated with memory. Although the study did not find memory had actually improved, it indicated that estrogen may stimulate the brain to make the

## CROSSWORD



## INTERNATIONAL EDUCATION: SPECIAL DIRECTORY

## Executive Education

U.S.A.

**LIMITS** were made to be broken.

DARDEN

Graduate School of Business Administration  
University of Virginia

EXECUTIVE EDUCATION

At Darden, we make sure you break them.

Our executive education programs will challenge you to think out of the box to see the possibilities and the future with 20/20 vision. In real-life terms, we'll give you insight into the strategies and skills you need to break through the barriers and place you and your organization on the top.

**General Management Series**

- The Executive Program
- Darden University Business Executive Program (New)
- Developing Managerial Excellence
- Managing Critical Resources
- Managing in the Global Business Environment (New)
- Manufacturing Executive Program

**Leadership and Change Series**

- Creating and Sustaining the High-Performing Organization
- Charting the Future: The Challenge of Transformational Leadership
- Leadership for Extraordinary Performance
- Managing Individual and Organizational Change
- Power and Leadership

**Marketing and Sales Series**

- Building and Managing Brand Leadership (New)
- Business-to-Business Marketing Management
- Channel Management
- Competitive Pricing Strategy
- Launching New Products (New)
- Strategic Marketing Management
- Strategic Sales Management

[www.darden.virginia.edu/exed/](http://www.darden.virginia.edu/exed/)

Business Week magazine has consistently ranked Darden as one of the best executive education schools in the world.

Mail form to: Executive Education, Darden School Foundation, University of Virginia, P.O. Box 6550, Charlottesville, VA 22906-6550; or Fax to: 979-982-2633; Phone: 804-924-3000; Email: Darden\_Exec@virginia.edu

 Send me information on the programs selected above. Send me a client reference list for the programs I have selected.

Name \_\_\_\_\_

Title \_\_\_\_\_

Company \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Country \_\_\_\_\_ Zip/Postal Code \_\_\_\_\_

Phone \_\_\_\_\_ Fax \_\_\_\_\_ Email \_\_\_\_\_



## YOU PUSH YOURSELF. YOU ALWAYS HAVE.

When you choose an MBA, you want the best: a top-rated school, an Internet-mediated environment utilizing virtual teams, residencies on four continents – all while continuing your career.

## DUKE UNIVERSITY'S GEMBA\* PROGRAM

## MAY BE JUST WHAT YOU'RE LOOKING FOR.

Consider the push you'll get from a unique 19-month program with global content and international classmates that *Business Week* called "the talk of its B-school rivals."

DUKE

GLOBAL EXECUTIVE MBA

www.fuqua.duke.edu

## GLOBAL ADVANTAGE:

ASUIMBA  
ARIZONA STATE UNIVERSITY

Located near the heart of the nation's sixth-largest city, the nationally-ranked Arizona State University MBA Program's innovative curriculum gives you a competitive advantage in a rapidly changing global environment.

You'll emerge from the ASU MBA equipped with the principles of corporate management plus specialization in one of six areas identified as critical to 21st century businesses.

- Supply Chain Management
- Services Marketing and Management
- Financial Management and Markets
- Sports Business
- ASU MBA/Master of Science in Information Management
- ASU MBA/Master of Health Services Administration

Take a closer look at the ASU MBA  
[www.cob.asu.edu/europe.html](http://www.cob.asu.edu/europe.html)ASU College of  
Business  
ARIZONA STATE UNIVERSITY

Massachusetts Institute of Technology's reputation for scientific and technical leadership is an integral part of its Professional Institute. Traditionally offering programs in a Summer Session format, we have recently expanded to offering courses at other times during the calendar year. Our curriculum is geared to the working professional: high-tech, up-to-date, well-organized and presented in a coherent manner. They directly address the problems most professionals face. How do I obtain and assimilate the information I need to stay competitive in my career?

**COMPUTER SCIENCES • SYSTEMS • DESIGN • MATERIALS CONTROL • BIOTECHNOLOGY • MANAGEMENT**

MIT Professional Programs  
77 Massachusetts Ave., Rm. 6-201, Cambridge, MA 02139-3437  
Phone: 617-253-2201; Fax: 617-253-0492  
Professional Information Services  
<http://web.mit.edu/prof/prof.html>

MASSACHUSETTS INSTITUTE OF TECHNOLOGY

## FRANCE

Aerospace MBA  
Accelerate Your  
Career in Aerospace

At the heart of a World Class Aerospace Complex located in an exceptional Industrial, Educational and Research environment, TOULOUSE BUSINESS SCHOOL has created

the Aerospace MBA  
in France.

A highly selective and truly International Program designed for candidates with high potential executive skills.

ESC

TOULOUSE BUSINESS SCHOOL

GROUPE ESC TOULOUSE

20, boulevard Lascrosses

BP 7010 • 31068 Toulouse CEDEX 7

FRANCE

TÉL : +33 (0)5 61 29 49 56 • Fax : +33 (0)5 61 29 49 94

e-mail : jl.guiraud@esc-toulouse.fr

<http://www.esc-toulouse.fr>

Touro University International

• Your education, any time, anywhere  
• High quality program  
• Affordable & cost effective  
• Bachelor, MBA and Ph.D. in Business  
• Live student-faculty videoconferencing

10542 Calle Los Suenos 102  
Los Alamitos, CA 90720

The Leading Internet University  
Email: [registration@tourouniversity.edu](mailto:registration@tourouniversity.edu)  
Web Site: [www.tourouniversity.edu](http://www.tourouniversity.edu)

## FRANCE

ISG

INTERESTED IN  
A PROJECT-ORIENTED AND  
INTERNATIONAL MBA?

## ISG'S M.B.A. MAY BE THE ANSWER

## INTERNATIONAL M.B.A.

International M.B.A. program in leading cities of the world: Tokyo, London, Paris, Paris, New York and Tokyo • Specialized Business Seminars in 11 of the world's emerging economies: Eastern Europe, Latin America and Asia • First French state-accredited program

EXECUTIVE M.B.A.  
• For your career a head start while maintaining your current position • Update your management skills with a pragmatic concepts for business program • 21 months part-time program (2 evenings per week - Saturday)

Contact : Marie Fernande or Daniel Bader  
ISG International School of Business  
25, rue de l'Université - 75231 Paris Cedex 05  
Tel. 33 1 45 26 11 00 - Fax 33 1 45 26 11 01  
Email : [isg@isg.fr](mailto:isg@isg.fr) - <http://www.isg.fr>

Summer Study

U.S.A.

SUMMER PROGRAMS

preparing you for college and beyond  
PRE-COLLEGE ENRICHMENT

- UMASS at Amherst
- Stanford University
- Oxford University

LANGUAGE STUDY

- France • Spain

MIDDLE SCHOOL ENRICHMENT

- Amherst College

SPRING & EARLY SUMMER

College Credit & Enrichment Courses

Golf, Tennis and Soccer Instruction

1-800-752-2250

[www.asaprograms.com](http://www.asaprograms.com)

Hotel & Management Schools

Language Schools

SWITZERLAND

HTII School of Hotel Management Nyon/Neuchâtel, Switzerland

STUDY INTERNATIONAL HOTEL MANAGEMENT IN SWITZERLAND

3-Year Bachelor's Degree and Higher Diploma in Hotel Management

21/2-Year Diploma in Hotel Management

1-Year Post-Graduate Diploma

1-Year Certificate Courses

All Marin Bay, for information at our head office

(HTII), Box 4025 Basel, Switzerland

Phone: +41 61 21 30 94

Fax: +41 61 21 30 95

E-mail: [htii@htii.ch](mailto:htii@htii.ch)

30

INTENSIVE FRENCH AND / OR ENGLISH  
SUMMER COURSES

- June to October (min. 3 weeks)
- Optional courses: German, cultural activities, sports, etc.
- Minimum age: 15 years old
- Possible accommodations with our boarding school, pension or with families, etc.

Ecole Lemanie - 3, ch. de Praville - CH 1003 Lausanne  
Tel. +41-21-3201501 - Fax: +41-21-3125700  
[www.lemania.com](http://www.lemania.com)

FRANCE

See our  
Business  
Opportunities  
every Wednesday  
in  
The Intermarket

LEARN FRENCH  
IN PROVENCE  
Intensive courses all year, trips to historical and cultural sites including festival of Avignon in July, Provençal/French cuisine, wine tasting, etc.  
For the business world to C.I.P.E.L  
B.P. 44 - 13301 MARSEILLE Cedex 03  
Tel. 33 (0) 491 64 60 01  
Fax: 33 (0) 491 55 38 57

Summer Camps

FRANCE

CENTRE INTERNATIONAL LINGUISTIQUE ET SPORTIF  
1, route de Paris 51700 TROISSY (FRANCE)  
Tél.: (33) 3 26 52 73 08 - Fax: (33) 3 26 52 72 07  
Web: <http://www.cilsfr.fr/cils>

DURING THE SUMMER HOLIDAYS  
Boys and Girls 7-18 years - 4 sessions of 3 weeks - June 13-Sept 4

- Intensive French courses for foreigners 3-hour-courses, per day, 9 a.m. to 12 (small classes)

- For our French students : Summer classes (in french-maths - languages) 3 hours a day.

EVERY AFTERNOON, A LARGE CHOICE OF SPORTS (26)

Such as: Water skiing, horseback riding, tennis, golf, kayak, fencing, mountain biking, archery, football, basket, etc...

EVERY WEEK CHILDREN TAKE PART IN CULTURAL TRIPS

We pick up the children from the airports in Paris and bring them to the camp.

ECOLE DES HAUTES ETUDES INTERNATIONALES

The Oldest French Institute of International Relations

MASTER and Ph. D IN INTERNATIONAL RELATIONS AND DIPLOMACY

English speaking programs  
at the Centre d'Etudes Diplomatiques et Stratégiques (C.E.D.S.)

FROM APRIL 1999 TO FEBRUARY 2000

APPLICANTS:

Diplomats, officials appointed or living in Paris, senior executives, and selected graduate students

For more information and application forms please contact:

CEDS 54, avenue Marceau 75008 Paris

Phone: 33 (0)1 47.20.57.47

Fax: 33 (0)1 47.20.57.30

e-mail: [cepc@cepcnet.org](mailto:cepc@cepcnet.org)

Establishment: Ecole d'enseignement supérieur fondé en 1899

CHOOSE YOUR SCHOOL

The International Education Guide

Nov 1998-1999

Version now available!

For your free copy, please write to:

International Herald Tribune

Immeuble Matrice

181 avenue Charles de Gaulle

92521 Neuilly Cedex France

THE PASSPORT TO YOUR FUTURE

Hotel Management in Switzerland USA & Australia

- César Pizzi Diploma
- Swiss Higher Diploma
- Bachelor Degree / Washington State University
- Post Graduate / Master Program

Boarding & Day-students

LEMANIA

Education, Tourism, Sport, Environment

www.hotelconsult.com



## NASDAQ NATIONAL MARKET

Consolidated prices for all stocks traded during week ended Friday, April 9

Sales

Stocks

Div Yld

100s High

Low Ctr

Chge

Stocks

Div Yld

100s High

Low Ctr

Chge

A-B-C

Stocks

Div Yld

100s High

Low Ctr

Chge

ACM

Stocks

Div Yld

100s High

Low Ctr

Chge

ACM

Stocks

Div Yld

100s High

Low Ctr

Chge

ACM

Stocks

Div Yld

100s High

Low Ctr

Chge

ACM

Stocks

Div Yld

100s High

Low Ctr

Chge

ACM

Stocks

Div Yld

100s High

Low Ctr

Chge

ACM

Stocks

Div Yld

100s High

Low Ctr

Chge

ACM

Stocks

Div Yld

100s High

Low Ctr

Chge

ACM

Stocks

Div Yld

100s High

Low Ctr

Chge

ACM

Stocks

Div Yld

100s High

Low Ctr

Chge

ACM

Stocks

Div Yld

100s High

Low Ctr

Chge

ACM

Stocks

Div Yld

100s High

Low Ctr

Chge

ACM

Stocks

Div Yld

100s High

Low Ctr

Chge

ACM

Stocks

Div Yld

100s High

Low Ctr

Chge

ACM

Stocks

Div Yld

100s High

Low Ctr

Chge

ACM

Stocks

Div Yld

100s High

Low Ctr

Chge

ACM

Stocks

Div Yld

100s High

Low Ctr

Chge

ACM

Stocks

Div Yld

100s High

Low Ctr

Chge

ACM

Stocks

Div Yld

100s High

Low Ctr

Chge

ACM

Stocks

Div Yld

100s High

Low Ctr

Chge

ACM

Stocks

Div Yld

100s High

Low Ctr

Chge

ACM

Stocks

Div Yld

100s High

Low Ctr

Chge

ACM

Stocks

Div Yld

100s High

Low Ctr

Chge

ACM

Stocks

Div Yld

100s High

Low Ctr

ACM

Stocks

Div Yld

100s High

Low Ctr

Chge

ACM

Stocks

Div Yld

100s High

Low Ctr

Chge

ACM

Stocks

Div Yld

100s High

Low Ctr

Chge

ACM

Stocks

Div Yld

100s High

Low Ctr

Chge

ACM

Stocks

Div Yld

100s High

Low Ctr

Chge

ACM

Stocks

Div Yld

100s High

Low Ctr

Chge

ACM

Stocks

Div Yld

100s High

Low Ctr

Chge

ACM

Stocks

Div Yld

100s High

Low Ctr

Chge

ACM

Stocks

Div Yld

100s High

Low Ctr

Chge

ACM

Stocks

Div Yld

100s High

Low Ctr

Chge

ACM

Stocks

Div Yld

100s High

Low Ctr

Chge

ACM

Stocks

Div Yld

100s High

Low Ctr

Chge

ACM

Stocks

Div Yld

100s High

Low Ctr

Chge

ACM

Stocks

Div Yld

100s High

Low Ctr

Chge

ACM

Stocks

Div Yld

100s High

Low Ctr

Chge

ACM

Stocks

MONDAY, APRIL 12, 1999

PAGE 15

## Judge's Ruling in California Thrift Case Could Cost U.S. Up to \$50 Billion

By Stephen Labaton  
*New York Times Service*

**WASHINGTON** — A federal judge has ordered the U.S. government to pay nearly \$900 million to a California savings association that nearly went bankrupt after the government imposed tougher accounting changes on the industry a decade ago.

The decision, awarded to Glendale Federal Bank by Chief Judge Loren Smith of the U.S. Court of Claims, is one of the largest judgments ever assessed against the federal government. But it is more significant for the legal precedent it may set for the more than 120 other

similar cases filed by existing and moribund savings associations and their shareholders, as well as other industries that have also filed large claims against the government in the past year after regulations were changed that cost them money.

If the reasoning of Judge Smith is upheld on appeal, experts say it could, in effect, reopen the huge bailout of the savings and loan industry, adding another \$30 billion to \$50 billion to the costs of the most expensive financial debacle in American history. It has already cost taxpayers \$165 billion, and administration officials estimate that every \$1 billion in judgments will cost

each American household \$10.

The winners who stand to profit the most from the precedent set by the decision late Friday are other prominent business people who hold big stakes in savings associations that have filed similar claims. They include Robert Bass, the Texas financier; the Pritzker family of Chicago; the New York investor Lewis Ranieri; and Ronald Perelman of the Revlon Group.

Mr. Perelman is a controlling shareholder in Golden State Bancorp Inc., which owns both Glendale and California Federal.

While thousands of other smaller investors stand to gain from the decision, it

could also help the claims of some of the more notorious figures in the savings and loan debacle.

One of the most corrupt savings operators, David Paul, has filed a claim similar to Glendale's from a prison camp in South Carolina. Mr. Paul, the former chairman of Centrust Savings of Florida, is serving an 11-year sentence for racketeering and fraud. Centrust's gold-plated toilet pipes and \$29 million art collection were ultimately financed by taxpayers in a \$1.7 billion bailout.

Last autumn, Congress and the administration of President Bill Clinton quietly took steps that assured that the tab from the savings and loan cases

would be picked up by taxpayers. With no hearings or open debate, congressional lawmakers tucked into appropriations legislation a two-paragraph provision supported by the Clinton administration and urged by industry lobbyists.

The provision requires taxpayers to pay such sums as necessary to satisfy all final court judgments. The lobbyists had feared that either the Treasury would not pay or that the industry might end up being saddled with the costs through a special assessment.

Nearly three years ago, a highly splintered Supreme Court ruled that the 1989 savings and loan bailout law that

toughened the accounting rules breached the contracts that regulators had made with investors who had come to rescue many institutions. But the high court never addressed the issue of how to calculate the industry's damages, and the Glendale lawsuit presented the first test case of the issue.

Lawyers from the Justice Department have maintained in the lawsuits that have begun to be tried that the savings associations are entitled to little or nothing because the government's action was not the major cause of any injury and, in fact, the regulators had actually helped.

See RULING, Page 17



The U.S. economy may be booming, but the economic giants of today — such as Alan Greenspan, the chairman of the Federal Reserve Board, left — have proved to be no Pied Pipers to college students, who were once inspired by the likes of John Maynard Keynes, below. Fewer and fewer Americans are entering graduate programs and seeking careers in economics.



Courtesy Bloomberg/Reuters

## The Dismal Science Wanes

Fewer Americans Seeking Economics Degrees

By Louis Uchitelle  
*New York Times Service*

**NEW YORK** — The Depression inspired thousands of young people to become economists. The War on Poverty and the Great Society in the 1960s were similarly inspiring, and the upheavals today should be, too. What more noble work, after all, than coming to understand, and perhaps alleviate, the wage stagnation, the global pressures, the layoffs, the job insecurities and the long working days that weigh on so many people?

But, in fact, fewer and fewer Americans are entering graduate programs and seeking careers in economics.

The Depression made a hero of John Maynard Keynes, the British economist whose prescriptions for reviving the economy — and softening capitalism — seemed so promising and insightful, even romantic. And out of the crowded graduate schools of that era came future giants like Paul Samuelson, Milton Friedman, James Tobin and John Kenneth Galbraith. They are all in their 80s and 90s now, and no longer the role models they were in their heyday.

Who are today's heroes? Alan Greenspan, the Federal Reserve chairman so

often given credit for the current prosperity, is one. So are Lawrence Summers, the combative deputy Treasury secretary and former Harvard whiz, and Paul Krugman, the Massachusetts Institute of Technology professor whose fame comes as much from his vivid, prolific writing in newspapers and magazines as it does from his economics. But somehow, they are not Pied Pipers.

Is it them or the times? Could Keynes do any better if he were resurrected today? Or Adam Smith, who was a popular lecturer and teacher with a wide following? Probably not. The profession is greatly changed.

The Ph.D. program in economics today, combining a master's degree and a doctorate, calls for five to seven years of hard, technical work, harder perhaps than medical school. For bright young people, higher wages with much less study can be had in management, consulting or law, or on Wall Street.

"I have a son who went to work right out of Harvard as a currency trader," said Angus Deaton, a Princeton economist and a mentor in his profession.

High wages, of course, would not di-

See ECONOMISTS, Page 17

## Japanese Regulators Nationalize Regional Bank

Compiled by Our Staff From Dispatches

**TOKYO** — Japanese financial regulators placed a debt-ridden regional bank under government control Sunday after declaring the institution insolvent, officials said. The move could signal a stepped-up effort by Japanese regulators to get the nation's banking system back on its feet, which is seen as critical to economic recovery.

The Financial Reconstruction Commission moved to take over Tokyo-based Kokumin Bank after the bank conceded it could not restructure on its own. Hakuho Yamagishi, the commission chief, said in a nationally televised press conference.

The government had already put two large banks under government control in its effort to root out the lingering prob-

lems from a bad-debt crisis, but the move against a smaller bank like Kokumin signals a new thoroughness to the effort, analysts said.

The Financial Supervisory Agency found last week that Kokumin had amassed a huge capital deficit, and warned it would be dissolved unless it came up with fresh funds from affiliated firms.

Analysts said the nationalization of the small regional bank, which had \$24.74 billion yen (\$4.32 billion) in deposits and 745 employees as of the end of September, would not rock the nation's financial system.

Worries about the fate of the bank had led to a run on deposits, though under the government's move, depositors will be protected. The bank had prepared 100

billion yen to meet the demand for withdrawals but nearly 80 billion yen in deposits had been taken out by Friday, it said.

As the government moved to take over, Kokumin sought to ease depositors' concerns.

"We deeply apologize for causing

enormous trouble for our clients and shareholders," Yukio Okonogi, the Kokumin president, said at an emergency news conference at the bank's headquarters.

Many analysts said the collapse could be a prelude to more failures at Japanese regional banks.

Last year, regulators put two big banks — Nippon Credit Bank Ltd. and Long-Term Credit Bank of Japan Ltd. — under state control. Fears about more top

bank failures have been largely erased after an injection of more than 7 trillion yen into 15 large institutions last month.

But regulators are now shifting their attention to regional banks as well as insurers and brokers, and analysts expect shakeouts in all three sectors as financial liberalization proceeds under Japan's "Big Bang" reforms.

"Banking authorities will likely find

more and more debt that regional banks

had not disclosed, so probably more than

10 regional banks may turn out to be

virtually negative equity," Yushiro Ikuo, a senior analyst at Commerz Securities (Japan) Co., said after reports of Kokumin's woes surfaced Thursday.

Under a law enacted last year to shore up Japan's tottering financial system, the government will protect all Kokumin deposits and the bank will continue operations under the management of three government-appointed administrators.

Meanwhile, the government will look

for a private financial institution to take

over Kokumin. A public "bridge bank"

will be set up to take over Kokumin's

operations if a buyer is not found.

Kokumin's bad loans will be absorbed

by the state-run Resolution & Collection Corp., Japan's version of the U.S. Resolution Trust Corp., which cleaned up the savings and loan fiasco of the 1980s. The Bank of Japan also will provide special loans to guarantee Kokumin's operations.

Bank examiners have discovered that

Kokumin, with 40 domestic branch offices, had amassed a capital deficit of 50

billion yen by September 1998.

Kokumin ran into financial trouble

through massive soured real estate loans it made during Japan's speculative

"bubble" economy of the 1980s.

(AP, Reuters, AFP)



## \$980 for a Shot of Scotch? Single-Malt Cultists Tip Back

By Alan Cowell  
*New York Times Service*

**LONDON** — A broken barrel stave found in the 1970s, Britain's wartime energy pinch. What could such historical flotsam have to do with modern American liquor chic?

Ask the drinkers who pay up to \$980 to taste one shot of fine single-malt Scotch whisky. Their palates and wallets, and their interest in the curious origins of some of their favorite tipplers, have set off a scramble by Scottish distillers and their American marketers to uncover ever rarer, more exotic single malts. Unlike blended whiskies, single malts are those produced in a single distillery in a single production run.

Single-malt drinking has become something between a mini-boom and a cult phenomenon in some American bars, and the most prized bottles can be as avidly pursued as a fine old Bordeaux: The Macallan '46, for instance, is sold (mainly to collectors) at \$2,500 a bottle, and the Bowmore 40

— referring to its age, not a year —

brings \$7,000.

The cachet of top single malts like these rubs off on sibling whiskies. "In marketing jargon, it's the halo effect," said David Cox, marketing controller for the Macallan brand at Highland Distillers. "It elevates the quality image of the whole range."

"People love the fact that it can never happen again," said James French, of Remy Amerique that markets The Macallan in the United States. "Once you've got a bottle of that, there's no more left."

The Macallan distillery turns out 220,000 12-bottle cases a year these days, but only 250 cases were ever made of the Macallan '46.

The Bowmore 40, produced by Morrison Bowmore Distillers, is even rarer. Just 294 bottles of Bowmore 40

were produced, said Anne Rives, who handles the company's public relations in New York, and only 60 were shipped to America.

Collectors buy by the bottle, but drinkers buy by the shot, at astonishing prices. A shot of Bowmore 40 fetches

See SCOTCH, Page 17

## CURRENCY RATES

April 9 Other Dollar Values

Cross Rates		April 9								Per S	Per C	Per N	Per S
		U.S.	£	SF	Yen	CS	Dane.	Greek	Swede	Per S	Per C	Per N	Per S
London (c)	1.6057	—	2.3845	194.44	2.4145	11.0742	493.16	13.30					
New York (D)	1.6053	1.6033	120.07	1.501	6.8914	300.47	0.288						
Tokyo	121.35	195.07	61.70	—	80.99	17.84	N.G.	14.57					
Toronto	1.5003	2.412	1.0118	1.2404	—	0.2179	0.492	2.781					
Zurich	1.4817	2.3529	—	1.2246	0.9866	21.5353	0.492	0.1792					
One euro	1.0778	0.6724	1.5968	120.75	1.4202	7.4323	332.70	8.94					
One SDR	1.3558	0.8454	2.0018	164.25	2.0322	9.3262	406.85	11.2361					
Interbank rates exclude commissions.													
To buy one pound: To buy one dollar. Per 100 N.Y. or not quoted: N.A. not available.													
SF: Special drawing rights of the IMF.													
Sources: Bank of Tokyo-Mitsubishi (Tokyo);													



# Globalization's Catch-22: Open-Trade Policies Fuel Tensions at Home

By Richard W. Stevenson  
New York Times Service

**WASHINGTON** — There are two basic types of trade disputes: one involving attempts to open another country's markets, and the other centered on protecting industries at home that have been battered by global competition.

The Clinton administration's efforts to negotiate a deal that would bring China into the global trading system spans both. But neither the White House nor Congress nor even the Republican or Democratic parties themselves have resolved those conflicting pressures, on the question of China or in trade policy more generally.

Opening China to U.S. commerce, for instance, would be a boon in many ways to the United States, and it is therefore attractive to supporters of free trade and many business interests.

But doing in a way that leaves even a relatively small number of American jobs exposed to China's unpolished but very real economic might could create a political backlash that would doom approval of the deal by a Congress already predisposed to view China with suspicion, if not hostility.

In that sense, the debate over how the United States should deal with China encapsulates the

broader question of how governments can manage the process of integrating their markets without unduly fueling political and social tensions at home.

Attempts to break down foreign trade barriers are generally driven by the idea that prying open new markets creates jobs and profits.

Efforts to shield domestic industries are usually inspired by raw political pressure from companies and workers suffering the effects of economic changes an ocean or continent away.

"We've gotten to a stage where the issue isn't just how to liberalize trade, but how to adjudicate disputes about what's enough, what is socially justifiable, how you reconcile systems that are based on different types of institutions and different cultures," said Jeffrey Garten, dean of the Yale School of Management and a former Clinton administration trade official.

Even without China, the United States is engaged in a wide spectrum of trade disputes. The issues being fought with the European Union alone touch on a broad range of products and services. Washington is pressuring Europe to drop its ban on importing beef from hormone-treated cattle. It is battling to make it easier for a U.S. company to

export bananas to Europe. It is squabbling with Europe over standards for computer privacy.

At the same time, there is considerable pressure from Congress to do something about the plight of U.S. steelmakers, which have suffered from a flood of low-cost imports from Russia, Asia and other parts of the world. The House of Representatives voted 289 to 141 last month to limit steel imports, bringing together members of both parties from states where jobs have been endangered by what they consider unfair competition.

There are also smoldering bipartisan efforts in Congress to take steps to help textile makers, another politically powerful interest group that has faced wrenching upheaval as commerce has become more global.

The crosscurrents can be difficult for politicians to navigate.

"Trade votes ripple through labor, business, human rights, and foreign policy," said Representative Tim Roemer, Democrat of Indiana. "They touch a lot of nerves and a lot of bases. It used to be, when I first got to Congress in the early 1990s, that abortion and gun control were the most intense votes. Now it's often trade votes."

Mr. Roemer voted to curb steel imports last month, which free-trade purists would call protectionist. But he said he supported bringing China

into the World Trade Organization as long as the United States can be assured the deal will be fair.

Mr. Roemer's was precisely the kind of swing vote that President Bill Clinton had in mind when he walked away from an all-but-completed trade deal with the Chinese prime minister, Zhu Rongji. Concluding that he could never get the deal through Congress without more explicit concessions — despite substantial concessions from China on other key issues — Mr. Clinton opted to gamble that further negotiations would yield progress rather than a backlash from the Chinese.

"The president gauged this on the substance of the concessions by the Chinese, on which they need to give more on textiles, steel, automobiles and telecommunications, as well as on the political climate," Mr. Roemer said after meeting on Friday with Mr. Zhu. "He's trying to live up to what we're seeking, which is both free trade and fair trade."

The problem is that it is becoming increasingly difficult for nations to agree on what is fair.

The international body at the heart of the negotiation with China — the World Trade Organization — was set up to work out rules for global commerce and judge its members' compliance. As might be expected of any institution built on the presumption that nations benefit from

voluntarily ceding some of their sovereignty, the trade organization has had a rocky first few years.

Its role is likely to become even more contentious as more countries with developing economies like that of China — the largest country still outside the system — are allowed in and try to mesh their domestic realities with a still unsettled global norm.

"The coming battles are over differences in economic systems and political preferences," Mr. Garten said. "The extent of trade has become too massive and too complex for problems to be resolved between two countries. Someone is going to have to be in the middle, and all we have is the WTO."

The bad news, Mr. Garten said, is that the organization is inexperienced and unproven. The good news, he added, is that it seems to be set up to deal effectively with international disputes and that, from a parochial perspective, its rulings so far have tended to favor the United States.

More important, Mr. Garten said, China and the United States alike — as well as every other trading nation — need an outside arbiter as a bulwark against the kinds of domestic political pressures that could otherwise stall progress on trade issues or lead to the system's unraveling.

## CHINA: A Saga of Failure in Trade Talks

Continued from Page 1

If he agreed to strict provisions that would give the United States unilateral rights to retaliate against import surges, and that would offer more protection to American textile workers by prolonging strict quotas on the volume of textiles China can send to the United States, he would be subject to enormous criticism from other Chinese officials.

"I've never seen the president back away like this," one veteran of trade negotiations said Friday. "We're all still scratching our heads."

By some measures, this could be a prime example of how one of America's most critical diplomatic initiatives fell victim to the distractions of a war in the Balkans.

Mr. Clinton has long argued that WTO membership for China is not about economic but about global integration: It would get China into a legal framework, forcing it to work under Western-style trade laws; it would create huge market openings that will, in time, expose more Chinese to foreign ideas.

And by spreading cell phones and Internet nodes in China, the argument goes, the West helps create more outlets for political expression — outlets the Chinese government finds it increasingly difficult to control.

So when Mr. Greenspan returned to Washington in January with his message, Ms. Barshefsky leaped at the opening. She sent her top China negotiator, Robert Cassidy, to Beijing for what turned into weeks of negotiations. In the first week of March, she traveled to Beijing herself and spent two and half hours with Mr. Zhu.

"For the first hour I talked nonstop," she said, "and it was clear that great progress was being made."

For the first time, the Chinese were talking about sweeping away many of the barriers that had long stymied American farmers — limits on agricultural imports, for example, and requirements that goods be distributed only through state-owned companies. There was talk about letting American firms invest in the telecommunications industry for the first time.

"It came in dribs and drabs," one person involved in the negotiations said. "We would push, and we were often surprised that the Chinese came back and said, 'We can do it.'"

Clearly the visit by Mr. Zhu to Washington was the deadline, and everyone knew it. But in the interim, a lot had changed in Washington.

## Bargain-Hunters See Value in European Chemicals

Bloomberg News

**PARIS** — Shares in European chemical companies have plunged so low on concern of falling earnings and prices that they may have turned into a bargain, some analysts say.

Make no mistake: 1999 will still be a difficult year for chemical companies around the globe. Yet some investors view that as the ripple of a wave that engulfed the industry in 1998, and say companies such as BASF AG, the biggest chemical company in Europe, Clariant AG, the world's top maker of specialty chemicals, and Rhodia SA, which ranks No. 4, could be poised for a rebound.

Demand is gradually picking up, and prices appear poised to reverse their declines. Clariant, Rhodia and others including Imperial Chemicals Industries PLC, Europe's No. 3 chemical maker, have cut costs. Those companies that have not reorganized are ripe for takeovers, investors said.

"A number of chemical companies have been pummeled beyond reason," said Jacques-Antoine Bretteil at International Capital Gestion in Paris.

Investors had been selling chemicals shares — not just in Europe — pushing down the Dow Jones chemicals index 17 percent over the past eight months, mostly because those companies' profits were hurt by sagging Asian demand, falling prices

and a production glut last year.

But now, they point to a rise in oil prices to suggest commodity prices overall could perk up, and some see hints of improvement in Asia.

"I think the worst of the Asian crisis may be behind us, and I take the recent increase we've seen in oil prices as a promising sign for other commodities," said Jacques Paechal, chief executive of Elf Atochem SA.

Moreover, the European Central Bank's decision last week to cut its benchmark refinancing rate by 50

### INVESTING

basis points to 2.5 percent will help spur growth in the second half and beyond, economists said. Even though economists warn that official forecasts of 2.2 percent growth for the 11-nation euro zone may be too rosy after the year got off to a slow start, they say a pickup in demand in the latter part of the year will ensure that growth pace is reached — or even exceeded — in 2000.

The rate cut also means companies such as Bayer AG, Germany's No. 1 chemicals maker and one that is looking to invest \$4.4 billion in Asia over the coming decade, will be more competitive abroad and will be able to borrow for less.

"People are looking beyond 1999, and so they should," said Hans Zayed, an analyst at Paribas Capital Markets in London. "Chemicals are still a bit risky but I think the timing looks right to buy."

In addition to prices and growth, merger speculation, which has lifted stocks in the auto, drug and telecommunications industries, is coming to the rescue of some chemicals stocks.

BASF shares have risen 24 percent in the past month on speculation that it is weighing a purchase of rival Union Carbide Corp., which may need a partner to weather last year's price slump. And Rhodia has climbed 11 percent since March 16, when it offered \$737 million to buy Albright & Wilson PLC of Britain, the world's biggest maker of specialty phosphates.

Overall, industry analysts say prices and earnings will rebound within two years, though estimates range from the end of 1999 until late in 2000. The trick is to snatch those economy-sensitive stocks before they rally on sunnier profit forecasts.

"You've got to pick your companies carefully, and I won't pretend some people haven't been disappointed in the past when they bet on chemicals," said Yves de Vilminor, a fund manager at Banque Privee St. Domingue. "But in the end that's how you make money, by being ahead of the pack."

## SHORT COVER

### VW's Sales Rose 9.6% in Quarter

**WOLFSBURG, Germany** (Bloomberg) — Volkswagen AG, Europe's biggest carmaker, has said first-quarter sales rose 9.6 percent, bolstered by demand for its Volkswagen brand cars.

VW said Saturday, quoting final figures, that sales from January through March rose to a record 1.15 million cars.

The company also announced it had appointed two managers to further strengthen its main brand.

The maker of Skoda, Seat, VW and Audi brand cars said it had named Hans-Urich Sachs, 46, former chief executive of SG Holding AG, as head of Volkswagen brand sales. It also named Daniel Coppens, 43, formerly with DaimlerChrysler AG, as sales manager for VW's trucks and vans.

### Japan's Top Planner Sees Upturn

**TOKYO** (Bloomberg) — The economy will probably recover in the second half of the year ending in March 2000 as companies reduce excess personnel and banks continue cleaning up bad loans, Japan's chief economic planner said Sunday.

"My prediction hasn't changed," Taichi Sakaiya, director-general of the Economic Planning Agency, said on government-affiliated NHK television.

Japan's economy has contracted for a record five consecutive quarters, bringing a wave of work-force reductions and other restructuring measures at companies such as Sony Corp., the world's second-largest consumer-electronics manufacturer.

### Are Packer's Magazines for Sale?

**SYDNEY** (AFP) — Australia's richest man, the media executive Kerry Packer, is poised to sell his magazine division for 1.2 billion Australian dollars (\$751 million), according to a Business Review Weekly magazine.

The media empire controlled by Mr. Packer and his son James is seeking to transform itself, according to the magazine, and has hired a corporate adviser to sound out the market for the division, Australian Consolidated Press.

Mr. Packer's magazine arm has been one of the mainstays of the media empire controlled by Mr. Packer and his son James is seeking to transform itself, according to the magazine, and has hired a corporate adviser to sound out the market for the division, Australian Consolidated Press.

### Hong Kong Residents Optimistic

**HONG KONG** (Bloomberg) — More than two-thirds of Hong Kong's people are optimistic about the economy and a similar number are confident about their own finances, according to a survey commissioned by the South China Morning Post.

Some 65 percent expressed confidence in the economy over the next 12 months, while 32 percent said they lacked confidence, a marked change from polls taken between May of last year and January, which showed most people were pessimistic.

But that confidence has yet to show up in economic performance. The region's retail sales fell for the 15th consecutive month in January as a modest rebound in tourist arrivals failed to offset a slump in domestic spending.

### Saudi Joblessness Is Put at 27%

**RIYADH** (Reuters) — Saudi Arabia's unemployment rate has more than doubled since 1993, with the jobless now accounting for about 27 percent of the working-age population, a senior Saudi academic said in remarks published Sunday.

"Unemployment among the Saudi working-age population has risen to 27 percent in 1999 from about 12 percent in 1993," the London-based newspaper Asharq al Awsat quoted Ghazi Obaid Madani, director of King Abdul Aziz University, as saying. He also said the Saudi working-age population had risen to 9.2 million from 7.3 million.

Saudi Arabia, the world's largest oil producer and exporter, is eager to replace many of its estimated 6 million foreign workers, who make up one-third of the country's population, with its nationals.

### Compaq Lowers Profit Forecast

**NEW YORK** (NYT) — Compaq Computer Corp. has said that its profit will be less than half of what analysts had expected, dragged down by declining sales and a shift into lower-margin products.

Compaq said Friday that first-quarter profit would be about \$250 million rather than the expected \$540 million.

"The quarter's shortfall reflects lower-than-anticipated market demand and increased competitive pricing in the commercial PC sector," Earl Mason, chief financial officer, said.

### RULING: U.S. Loses Case Against a California Thrift

Continued from Page 15

the industry by changing the rules.

In the Glendale case, for instance, the Justice Department maintained that, at most, the company was entitled to about \$28 million, the costs it incurred when it was forced to restructure following the 1989 law.

But the savings association asserted that it was entitled to recover whatever profits it may have earned if the government had not intervened, or at the very least, restitution of about \$2 billion.

Judge Smith said Friday that Glendale's calculation of its lost profits was "too remote and speculative to be granted."

But he also took a thinly veiled slap at the Justice Department, saying that he "understands the frustration of the plaintiff, who fought for six years on the question of liability against the government, only to have the government tell it, at the end of this laborious process, that Glendale had suffered no damages."

The judge said that he recognized the difficulty of calculating damages involving a savings association that entered into a 40-year contract 18 years ago that was then breached nearly 10 years ago.

Stephen Trafton, executive vice president of Golden State Bancorp and the former chief executive of Glendale, said the decision was "an important victory in a long and arduous battle."

The ruling underscores the fact that the federal government must respect the sanctity of a contract," Mr. Trafton said.

"People must honor their agreements.

The government, far from be-

ing an exception to this rule, should champion it, since our country's prosperity is founded on the idea of enforceable contracts."

The Glendale case had its origins in 1981 deal in which the company took over a failing Florida savings association in exchange for an easing of the amount of capital it was required to maintain.

The regulators permitted Glendale up to 40 years to write off the \$734 million in losses of the failed institution, First Federal Savings & Loan Association of Broward County.

But in 1989, when Congress passed the Financial Institutions Reform, Recovery and Enforcement Act, it eliminated the accounting concession, known as "supervisory goodwill." Glendale quickly fell out of capital compliance. The thrift came within days of being seized by regulators, avoiding being taken over only after completing a huge restructuring.

The judge calculated that the value of the benefit conferred on Glendale by the government was \$798.29 million. He subtracted \$288.37 million for the benefits conferred on the government by Glendale and then added an additional \$399.03 million in other damages and costs.

The government, far from be-

ing an exception to this rule, should champion it, since our country's prosperity is founded on the idea of enforceable contracts."

The Glendale case had its origins in 1981 deal in which the company took over a failing Florida savings association in exchange for an easing of the amount of capital it was required to maintain.

The regulators permitted Glendale up to 40 years to write off the \$734 million in losses of the failed institution, First Federal Savings & Loan Association of Broward County.

But in 1989, when Congress passed the Financial Institutions Reform, Recovery and Enforcement Act, it eliminated the accounting concession, known as "supervisory goodwill." Glendale quickly fell out of capital compliance. The thrift came within days of being seized by regulators, avoiding being taken over only after completing a huge restructuring.

## CAPITAL MARKETS ON MONDAY

## Economists at Chase See 'Super-Benign' Soft Landing Sparking Bond Rally

By Mitchell Martin  
*International Herald Tribune*

**NEW YORK** — Chase Securities Inc. has made an unequivocal prediction that U.S. bond prices would rally, citing far weaker inflationary pressures than most investors expect.

John Lipsky and James Glassman, economists at the securities arm of the New York-based bank, predicted that the yield on the 30-year Treasury bond would fall to between 4 percent and 5 percent in the next 12 months from the close Friday of 5.46 percent. That was in itself an improvement from the range of 5.5 percent to 5.7 percent that the bell-

weather bond clung to last month, reflecting in part the decision last week by the European Central Bank to cut rates.

The Chase economists gave four reasons for their bullish view on bonds. The two most important, they said, were persistently weak economic growth outside the United States and falling profit margins at American companies. Also contributing to their view were declining prices at the wholesale level that have not yet reached consumers and the hard-to-document but increasingly apparent gains in productivity in the U.S. economy.

The weak world economy, they said, has led to significant and growing excess of capacity to produce goods and

services. Mr. Lipsky and Mr. Glassman, defining 1990 as a base period in which world economic capacity and demand were in balance, calculated that the potential global output of goods and services now exceeded the world's needs by 5 percent.

In that kind of environment, companies turn to price reductions to sell their wares, and weak prices make most bonds attractive because their interest payments remain stable.

When long-term bonds are issued, the interest rate that investors demand in order to buy them takes into account expected inflation. Should inflation be lower than expected, the interest pay-

ments are worth more than the market calculated when the securities were sold, so the bonds' prices go up and push their yields down.

Falling interest rates also are good for stocks, but Mr. Glassman said prices already reflected savvy stock-market anticipation of that trend. Mr. Lipsky added, "Where's the big miss now? Inflation expectations." He said the Chase forecast, which put U.S. consumer price inflation at 1.3 percent this year and 1.2 percent in 2000, was neutral for stocks.

What makes the Chase prediction interesting is that the economists see the gap widening between potential output and demand.

Margins of global excess capacity are so large that growth has to return to 3 percent just to stop excess capacity from growing," they said Friday.

Chase is predicting worldwide growth of 1.5 percent to 2 percent for 1999. That is in line with a recent World Bank forecast of 1.8 percent.

The American economy is an exception to the slow global growth, having expanded by 3.8 percent in 1997 and 4.3 percent last year. Mr. Lipsky and Mr. Glassman see it growing more slowly this year and next, 2.1 percent and 2.6 percent, respectively. The consensus view for this year, however, is about 2.75 percent, and some economists are predicting growth of 3.5 percent or more.

One key reason the Chase economists say they are less optimistic than many of their competitors is that corporate profits

have not been growing. They said that after being essentially flat in 1998, profits would grow a negligible 0.4 percent this year. Two years of stagnant profits in an environment where prices are not rising, they said, would lead companies to reduce capital investment, slow their hiring and resist wage increases, all of which they expect to rein in economic growth.

Still, with the U.S. economy in its eighth year of expansion, growth of 2 percent in 2000 was not neutral.

Mr. Lipsky said, "I consider our

to the introduction of categories of products and services that cannot be compared with the past. But Mr. Lipsky said the issue was no longer whether there have been technology-induced productivity gains, but rather how much they have contributed to economic growth.

He also said that economists who looked at the unemployment rate for guidance on wage pressures were following the wrong indicator. Companies are now asking their employees to work fewer hours in slack times instead of laying them off and are using overtime to increase employment. Mr. Glassman said that the rise in the number of hours worked had slowed substantially in recent months.

As coherent as it is, the Chase view is a minority opinion. On Friday, for example, Citigroup's Salomon Smith Barney unit said that any further drop in yields might be only a limited one, as "strong domestic demand promises to keep labor markets tight, while easing by European and other central banks diminishes the external risks to the economy."

An economist at Credit Suisse First Boston, Rosanne Calin, agreed that bond yields were likely to fall but said they would come down less than the Chase team predicted and with stronger economic growth. She predicted that the 30-year Treasury issue would yield an average of 5.62 percent this year before dropping to 4.85 percent in 2000 and that the U.S. economy would expand 4.1 percent in 1999 and 2.8 percent next year.

## Low U.S. Inflation Has the Fed Stumped, Too

By Richard W. Stevenson  
*New York Times Service*

**WASHINGTON** — Meeting in February to review interest-rate policy, members of the Federal Reserve Board fretted, as usual, about a possible resurgence of inflation. But their discussion soon turned to whether the central bank's system of spotting incipient wage and price pressures might be malfunctioning.

This early-warning system — built around interrelationships of unemployment, growth and inflation — assumes that when joblessness falls below a certain "natural" level, prices will rise. As a forecasting and policy-making tool, the framework provided a reasonably accurate way of knowing when inflation would strike and enabling the Fed to head it off by adjusting monetary policy — at least until the past few years.

Unemployment has been falling for seven years. In March it reached 4.2

percent, its lowest level in nearly three decades and well below any mainstream estimate of a "natural" jobless rate.

At the same time, U.S. economic growth, while slowing somewhat, remains robust — but the predicted inflation is nowhere to be found.

The sketchy minutes of the central bank's February meeting suggest that even Fed officials are struggling to find answers. The minutes said that the combination over an "extended period" of strong economic growth, low unemployment and the absence of any substantial inflation simply "could not be explained in terms of normal historical relationships."

A number of Fed officials, according to the minutes, "suggested that the inflation process was not well understood and that inflation forecasts were subject to a wide range of uncertainty."

Many economists' reaction to this disclosure is that, if the Fed has less con-

fidence in its ability to predict inflation, it will be less likely to act preemptively against inflation and more likely to wait for evidence that wage and price increases are actually accelerating.

But the natural-rate theory of employment still has its advocates, including some Fed officials. Even skeptics acknowledge that there is a long-term trade-off between unemployment and inflation. The question is whether the trade-offs are consistent enough in a rapidly changing economy to be of any use in predicting inflation and setting interest rates at the appropriate level.

"These various road maps or rules that we use are valid at times," said L. Douglas Lee, chief economist at HSBC Securities. "But what you always have to remember is that the U.S. economy is a very dynamic creature, and things don't remain fixed. What works at one point in terms of understanding inflation may not work at another."

## Most Active International Bonds

The 250 most active international bonds traded through the Euroclear system for the week ending April 9. Prices supplied by Telekurs.

**Argentine Peso**

231 Argentina Pr zero 05/01/02 95.3950 0.8000

**Australian Dollar**

177 Australia 100/100 104.9500 0.6700

**British Pound**

179 Future Rentals 2 zero 03/20/01 90.5495 5.1400

141 Thome Fin zero 07/10/03 98.2510 12.4000

171 EIB zero 05/15/98 24.3000 3.7000

181 Arlington Fin 6 12/22/97 111.2500 0.5000

187 GECC 5% 01/10/04 100.7322 0.5000

188 Bal Fin N 1 6/9 03/31/98 123.4237 5.2500

245 Future Rentals 11.12/09/99 164.3986 4.7000

245 Future MocW 6/9 06/07/02 104.8120 0.5000

**Danish Krone**

44 Denmark 9/1/15/00 109.5700 0.9200

44 Denmark 6/17/00 114.8100 5.2000

61 Denmark 7/1/00/07 120.2800 5.8200

62 Realkredit 6/16/00 104.9500 0.6000

67 Denmark 05/15/03 116.8800 0.8200

76 Denmark 8/03/00 123.9400 4.4500

83 Unibank 6/10/00 98.8500 0.6700

85 Denmark 4/21/00 101.3000 3.9500

87 Denmark 11/15/00 111.1000 7.1700

103 Denmark 12/15/00 101.9200 0.6000

103 Hydrex 6/10/00 98.9300 0.6000

108 Denmark 7/11/00/24 126.8000 5.2000

138 Denmark 5/6 08/20/00 104.1800 4.7100

140 Denmark 11/01/00 98.1220 3.2000

200 Tociholm 6/6 10/01/00 98.5500 0.6000

220 Tociholm 6/6 10/01/00 98.9000 0.6700

**Deutsche Mark**

179 Credit Fonci 7/6 02/24/03 112.6000 6.4400

**Euro**

1 Germany 5/4 01/04/08 108.9104 4.8200

2 Germany 3/4 01/04/08 108.2510 3.6200

3 Germany 4/16/00 104.6000 0.5000

4 Germany 4/7 04/09 102.2823 3.9700

5 Germany 4/7 04/09 102.2823 3.9700

6 Germany 4/7 04/08 101.0471 4.8200

6 Germany 4/7 04/08 106.5711 4.4500

8 Tociholm 5/6 10/01/00 104.0400 0.6000

9 Germany 6/16/00 104.0400 0.6000

10 Germany 8/1/20/02 113.0221 7.0000

11 Germany 8/1/20/02 102.4571 5.0000

13 Germany 8/15/00 102.4571 5.0000

14 Bundesligation 3/11/03 100.5728 2.8000

16 Germany 7/04/28 98.2000 4.8200

17 Germany 5/7 04/09 111.2500 5.0000

18 Germany 5/7 04/09 111.2500 5.0000

19 Tociholm 7/4 01/01/02 114.9338 6.7000

20 Germany 3/12/00 100.2290 2.9000

21 Germany 9/10/2000 100.9100 0.8200

22 Germany 5/12/00 100.9100 0.8200

25 Germany 5/12/00 100.9100 0.8200

26 Germany 5/12/00 100.9100 0.8200

27 Tociholm 7/4 01/01/02 100.7382 6.0000

28 Germany 7/4 01/01/02 100.7382 6.0000

29 Germany 7/4 01/01/02 100.7382 6.0000

30 Tociholm 7/4 01/01/02 100.7382 6.0000

31 Germany 7/4 01/01/02 100.7382 6.0000

32 KFW 3/7/00 100.2500 3.4700

34 Germany 7/4 01/01/02 100.2500 3.4700

34 Germany 7/4 01/01/02 100.2500 3.4700

35 Germany 7/4 01/01/02 100.2500 3.4700

36 Germany 7/4 01/01/02 100.2500 3.4700

37 Netherlands 7/4 01/01/02 100.2500 3.4700

38 Germany 7/4 01/01/02 100.2500 3.4700

39 Germany 7/4 01/01/02 100.2500 3.4700

40 Germany 4/22/02 100.4731 4.3200

41 France BTAN 3/4 07/12/04 101.5700 3.4200

42 Germany 5/11/02 104.3071 4.7100

45 Germany 5/11/02 104.3071 4.7100

47 Germany 6/6 07/04/24 120.2450 5.2000

48 Germany 4/9 07/19/99 100.4950 3.9800

49 Germany 6/9 10/14/05 115.5771 5.5800

**French Franc**

227 per 100s 5/4 02/19/97 109.7500 5.2400



## SPORTS

## Wales Shocks England to Hand the Scots Rugby's 5 Nations Crown

**Late, Late Kick  
By Neil Jenkins  
Is Final Twist  
As an Era Ends**

By Christopher Clarey  
International Herald Tribune

LONDON — The Five Nations rugby union tournament ended Sunday as it began 89 years ago: with Wales winning the last match.

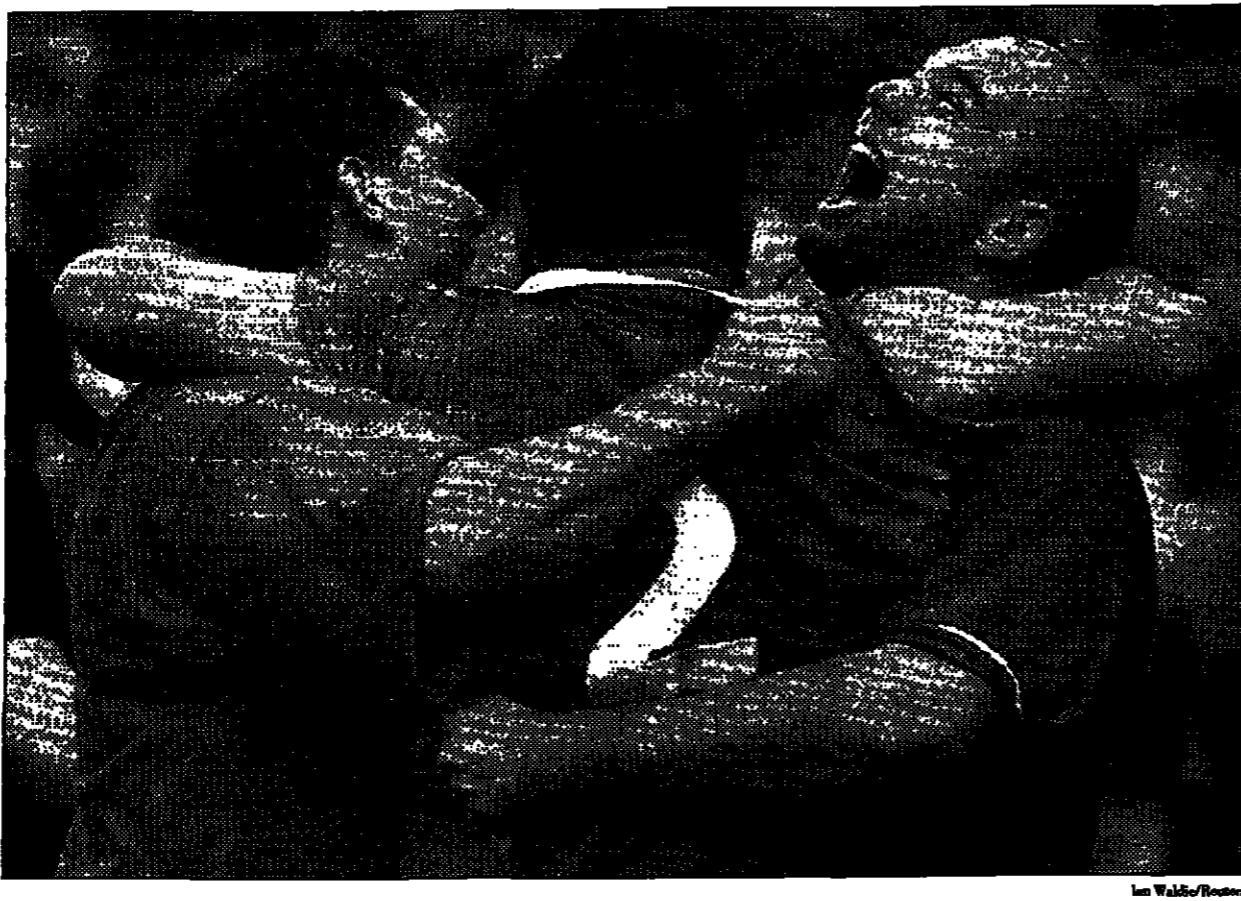
But there is no question which of those two victories was the more memorable. Comparing the Welsh rout of the overmatched French in 1910 to the thrill-a-minute, 32-31, Welsh triumph over the heavily favored English on Sunday is like comparing a *vendueille* act to a Shakespeare play.

The only time the Welsh led on Sunday was in the final two minutes of extra time after a hell-bent, tackle-breaking romp by Scott Gibbs through the English defense gave Wales the game's final try and Neil Jenkins then somehow managed to contain his emotions and kick the match-winning conversion.

Three minutes later, when the final whistle at Wembley Stadium blew, there was no more need to suppress feelings, and the Welsh leapt and embraced as if it had been a century instead of only six years since they had beaten their fellow Britons in a rugby game.

The Scottish players were not on the field Sunday, but they were presumably doing plenty of leaping and embracing of their own, because the Welsh victory not only kept England from completing the Grand Slam by sweeping all four of its matches, it allowed Scotland to win the final Five Nations tournament. England and Scotland both finished with three victories, but the Scots' point differential was superior. The Welsh victory also meant France ended up in last in the standings.

No team was appreciably better at Wembley, which must have come as a surprise to the English, whose overwhelming pack and efficient if not always uplifting play in their first three victories figured to be enough to snuff the life out of the surprising Welsh.



Peter Rogers, left, Garin Jenkins, center, and Ben Evans of Wales celebrating victory over England on Sunday. AP Wirephoto

But though there would be penalties and missed opportunities aplenty, this would not be an afternoon for prosaic rugby. And in the second minute when Dan Luger took a fine pass from Matt Perry and broke two tackles on his way to the end zone to give England a quick lead, the tone was set. England would score two more tries in the first half: the second from Steve Hanley in the 19th minute and the third from Richard Hill, who capitalized on a mid-air collision in the 38th minute between Wales' Gareth Thomas and Shane Howarth as they leaped for ball.

It rolled loose, and Hill leaped on it, and even if it appeared that he crawled across the goal line instead of tumbled across, it was still a try and wunderkind Jonny Wilkinson's conversion gave England a 25-15 lead.

Wales' 15 points had all come on penalty kicks from their round-

shouldered fly half Jenkins and in the final moments of the first half, he kicked his sixth of the day to make it 25-18. When the Welsh came back for the second half with the crowd in full voice — though this was Wembley, this was a Welsh home game — Jenkins quickly helped make it 25-25 with a marvelous high and wide pass to Howarth that allowed the fullback and former All Black to score.

A Welshman named Scott had put the Scots within one conversion of the title. Jenkins, as angular of face and round of shoulder as ever, would deliver.

"I felt comfortable all day with the boot, and I was not too worried at the end," said Jenkins. "Though I think the crowd would have lynched me if I hadn't have kicked it."

Many of those who watched his kick go through the uprights after an afternoon of multiple twists and tries at Wembley will be convinced that this classic European event, which will become the Six Nations when Italy officially joins next year, saved its best for last.

Rob Howley, the Welsh captain,

**France Suffers Crushing Loss  
And Is Booed By Its Own Fans**

*International Herald Tribune*

PARIS — They have come by the tens of thousands since last July to visit the Stade de France: parents, sons and daughters, too, to tour the talismanic, oval-topped spot where Zinedine Zidane and France won soccer's World Cup and have yet to lose a match.

But there will be no French rugby fans banging at the gates this summer. Not after Saturday's 36-22 loss to Scotland, in a game in which 52 points came in a remarkable first 28 minutes.

After sweeping the Five Nations Tournament the last two years with consecutive Grand Slams, the French came close to being swept themselves in the last year before Italy's arrival will force a name change on this classic European event.

France's only victory in this final "Five" Nations came by a single point in their opening game against Ireland, but Wales, England and now a resurgent Scotland have done a thorough job of stripping away the French mystique and reapplying layers of confusion and doubt as another World Cup looms in October.

"We are players who know what it is like to play at the highest level, but there were times we felt ridiculous out there," said Emile Ntamack, France's fullback. "We were running into each other, miscommunicating, making basic errors."

Two years ago, in the smaller, darker Paris stadium, Parc des Princes, the French beat the Scots by 27 points. Last year in Scotland, the French humiliated them 51-16.

The French did start quickly Saturday when Thomas Castaignede raced 50 meters after his quick penalty. He was brought down just short of the goal-line but Ntamack battered across to give the French their only lead. As his team celebrated, Castaignede remained on the turf, the ligaments in his knee strained, his match over in the second minute.

As if to prove Castaignede's importance, the Scots and their own special fly half Gregor Townsend were soon gleefully breaking tackles and breaking free.

In a span of 19 minutes, they scored five tries in routinely imaginative fashion. "It was almost unbelievable," said Jim Telford, Scotland's coach. "The things we were doing out there were the

things we were doing in practice, and everything we tried seemed to work."

Though the French scored three tries of their own in a rollicking, opening half that bore more resemblance to Hong Kong Sevens than the Five Nations, the Scots led 33-22 when it ended and the French fans sent their team to the locker room to the sound of hoots and whistles.

"It was just superb to see Scottish boys doing what the French did to us last year," said Gary Armstrong, the Scottish captain.

Not all the boys doing the damage were native Scots. Martin Leslie, the agile back row player who scored the first Scottish try in the ninth minute and the last in the 27th, is a recent arrival from New Zealand. So is his older brother John, whose communication with Townsend as they string together passes in the first half bordered on the telepathic. Glenn Metcalfe, the fullback, was also born a New Zealander, and his inspired and quick-penetrating runs from a long way back posed one more problem the French were incapable of solving.

The bulk of the problems — as usual in this reaffirming season — were created by the Scottish midfield: John Leslie, Alan Tait, who scored two tries of his own, Townsend, who scored one to become only the fifth man in the 89-year-history of this tournament to score a try in all four games in a season.

Townsend has been earning his living at the fine French club Brive, and though the French players have cited the increasingly taxing schedule as one of their reasons for their rash of injuries and rapid decline, the extra work certainly has not hurt Townsend or Scotland.

In the second half, when the pace slowed to a more conventional rhythm and the holes in the French defense became less obvious and inviting, the Scots managed to win at this game, too, outscoring the French, 3-0, and twice stopping them near the goal-line.

Townsend and his hustling, gambling teammates will always have Paris, or better yet Saint-Denis.

"If you ask me," Armstrong said, "they should have moved us away from Parc des Princes 10 years ago."

— CHRISTOPHER CLAREY

**Braves' Rally in Ninth Skins the Diamondbacks**

*The Associated Press*

ATLANTA — Andrew Jones hit a one-run single off Gregg Olson in the ninth inning Sunday as the Atlanta Braves rallied to beat the Arizona Diamondbacks, 3-2.

Olson (0-1) blew a save for the third time in three chances this year, allowing Greg Maddux to escape with a no-decision despite allowing home runs to

**NL ROUNDUP**

Travis Lee and Luis Gonzalez. Maddux allowed two or more homers in a game just twice last year.

Todd Stottlemyre had shut down Atlanta on just four hits over the first eight innings, allowing an RBI groundout to Jones in the eighth following singles by Jones and Keith Lockhart.

Olson, who blew leads in Los Angeles on Opening Day and against the Braves on Friday night, quickly found himself in trouble when Ozzie Guillen reached on a leadoff error by Jay Bell.

Chipper Jones then flied out, but Olson walked Brian Jordan and Ryan Klesko on 3-2 pitches, loading the bases, and Jones singled to left, driving in the tying and winning runs. Jordan scored easily ahead of Gonzalez's throw.

Kevin McGlinchy (1-0) pitched a one-hit ninth to win his first major-league decision. Maddux gave up six hits in eight innings, walked two and struck out three. He walked two or more just 14 times in 34 starts last year.

Stottlemyre, 0-5 against Atlanta in his career, struck out six and walked none.

Phillies 2, Marlins 1 In Miami, Chad Ogea pitched 6 1/3 strong innings and continued his mastery over Florida.

Ogea (1-1), who was 2-0 with a 1.54 ERA while pitching for Cleveland against Florida in the 1997 World Series, held the Marlins to three singles and no earned runs for his first NL victory.

Ogea, acquired from the Indians in an offseason trade following an injury-plagued season, struck out one and walked one. He gave up an infield single to Mark Kotsay in the fourth and retired the next 10 batters before walking Todd Dunwoody in the seventh.

Wayne Gomes, Jim Poole and Jeff Brantley finished up, with Brantley picking up his fourth save in as many opportunities. The Marlins had runners on first and second with two outs in the ninth, but Brantley retired Craig Counsell on a fly to center for the final out.

**Cardinals Honor Schoendienst**

There's more company for the once-solitary Stan Musial statue outside Busch Stadium, now that the Cardinals have unveiled a likeness of the Hall of Famer Red Schoendienst. The Associated Press reported from St. Louis.

Schoendienst, 76, was honored Sunday prior to the Cardinals-Reds game. He has been with the team for 51 years — 15 as a player, 12 as manager, 20 as coach and the last four as special assistant to General Manager Walt Jocketty.

The bronze statue catches Schoendienst in midair at second base, kicking up dust as he makes the pivot on a double play.

**Wizards Overcome 76ers, 105-98**

*The Associated Press*

WASHINGTON — In the fourth quarter of Washington's victory over Philadelphia on Sunday, Rod Strickland gave Allen Iverson a lesson in playing point guard with the game on the line.

After three quarters of watching Iverson's brilliant but erratic play, Strickland scored 10 of his 19 points in the final period as the Wizards snapped a five-game losing streak with a 105-98 victory over the 76ers.

In Jim Brovelli's first victory in four games as coach since the firing of Bernie Bickertaff, Strickland and the Wizards made Iverson look like a rookie down the stretch.

The NBA's leading scorer had 29 points after three quarters as the 76ers led by 11, but he missed his next four shots and committed three turnovers in the fourth quarter as the Wizards rallied to outscore the 76ers, 34-16, over the final 12 minutes. Iverson finished with 32 points, 10 rebounds and five assists as the 76ers had their three-game winning streak snapped.

Mitch Richmond scored 24 for the Wizards, who won for only the second time in 14 games when trailing at half-time.

With 3:26 to go, Strickland's 3-point play after a two-handed scoop lay-up put the

**NBA ROUNDUP**

Wizards ahead for good at 92-91. Strickland's 3-pointer with 2:13 to play made it 97-91.

In games played Saturday:

Heat 92, Bulls 49 In Chicago, the Bulls scored the lowest point total since the introduction of the shot clock as they lost to Miami.

The NBA's leading scorer had 29 points after three quarters as the 76ers led by 11, but he missed his next four shots and committed three turnovers in the fourth quarter as the Wizards rallied to outscore the 76ers, 34-16, over the final 12 minutes. Iverson finished with 32 points, 10 rebounds and five assists as the 76ers had their three-game winning streak snapped.

Knicks 110, Spurs 104 Pat Riley had 21 points, 15 rebounds and eight assists as Sacramento beat Denver. Nick Van Exel had 29 points and nine assists for Denver, which is 1-18 on the road so far.

Trail Blazers 97, Clippers 70 Rasheed Wallace scored 19 points and Walt Williams added 17 as Portland overcame a slow start to beat a team plagued Los Angeles in Anaheim. After falling behind 20-3, Portland rallied to beat the Clippers for the ninth straight time.

150

**Edmonton Edges Closer To a Berth in Playoffs**

*The Associated Press*

VANCOUVER, British Columbia — Doug Weight scored with 4 minutes, 44 seconds left in the third period to give Edmonton a 1-1 draw against the Vancouver Canucks, putting the Oilers four

points ahead of ninth-place Calgary in the race for the Western Conference's final playoff berth.

The Oilers, coming off back-to-back victories over the Flames, have three games left to play, one fewer than Calgary.

Weight scored Saturday night when he deflected Bill Guerin's low shot from the right boards past Garth Snow. Snow was incensed afterwards, arguing that he was almost bowled over by a check from Ryan Smyth seconds before the goal was scored. Smyth said he was knocked into Snow by a Canucks defender, adding that



Patrick Elias of the Devils flying past a Montreal defenseman, Eric Weinrich, and the Canadiens' goalie, Jose Theodore, after scoring. New Jersey won, 6-2.

Maple Leafs beat the Florida Panthers, 9-1, in Toronto for their 44th victory of the season, tying a club record.

The playoff-bound Carolina Hurricanes won, 6-1, against the Islanders in New York. The Philadelphia Flyers won, 2-1, in Washington against the Capitals.



Patrick Elias of the Devils flying past a Montreal defenseman, Eric Weinrich, and the Canadiens' goalie, Jose Theodore, after scoring. New Jersey won, 6-2.



## WORLD ROUNDUP

## Rain Halts Agassi

**TEENNIS** Andre Agassi and Boris Becker were stopped by rain Sunday in the final of the Hong Kong Open. Play ended with Agassi leading, 6-7 (4-7), 6-4, 2-0. Play was scheduled to resume Monday, but more rain was forecast.

The two players were driven off court by a light drizzle after just two points had been played in the first game of the first set. Play resumed five hours later only to be halted twice more. (AP)

\* Agassi and the actress Brooke Shields are splitting after two years of marriage. Mia Ricchetti, a publicist for the couple, said.

The couple filed for divorce in Las Vegas, where they have a home.

"We have the utmost love and respect for each other and will remain the best of friends," Shields, the star of the NBC comedy "Suddenly Susan," said in a statement.

Ricchetti refused to say why the two had decided to split up. (AP)

\* Unseeded Ruxandra Dragomir continued her run through the Bausch & Lomb Championships at Amelia Island, Florida, on Sunday, beating Anna Konnikova, the No. 9 seed, 6-3, 7-5, in the semifinals.

Monica Seles, the No. 2 seed, rolled to a 6-0, 6-1 victory over No. 7 Conchita Martinez. (AP)



Andre Agassi wiping his face during his rainy final Sunday.

## Hamed Retains His Title

**BOXING** Prince Naseem Hamed knocked out Paul Ingle in the 11th round to retain his World Boxing Organization featherweight title for the 12th time on Saturday. (AP)

## Family Affair at National

**HORSE RACING** Bobbyjo, ridden by Paul Carberry, won the Grand National steeplechase in Liverpool, England, by 10 lengths on Saturday. The horse was trained by the jockey's father, Tommy Carberry, who won the race in 1975 atop L'Escargot. (Reuters)

**A Blank Day for English Giants****Manchester United and Arsenal Draw, 0-0, in Cup Semifinal**

Compiled by Our Staff From Dispatchers

Manchester United and Arsenal, the top two teams in the English Premier League, canceled each other out in a semifinal of the FA Cup Sunday. The match ended in a scoreless draw after extra time, necessitating a replay on Wednesday.

Roy Keane, the United captain, had what appeared to be a goal in the 38th minute but Manchester was ruled to be offside on the play and the goal was nullified. "It was an astonishing decision; you don't often get decisions like that in football nowadays," said Alex Ferguson, the United manager.

Arsene Wenger, the Arsenal manager, disagreed with Ferguson, as usual. "I don't know how you can complain about it," said Wenger.

Keane's effort was one of the few flashes of effective offense in a game dominated by defense. The two teams had to wait until Wednesday when there will have to be a winner, even if the match is decided by penalties.

Arsenal played the last 25 minutes of extra time Sunday with 10 men after Nelson Vivas, an Argentinean defender, was sent off for elbowing Nicky Butt.

In the other semifinal, Alan Shearer scored twice in extra time as Newcastle United beat Tottenham Hotspur, 2-0, in Manchester.

Chelsea took advantage of the Cup distraction to pull closer to the top of the Premier League standings with a 2-1 victory over Wimbledon.

Tore Andre Flo and Gustavo Poyet, making his first start after three months on the sidelines with an injury, scored the goals for Chelsea, which closed within one point of Arsenal and two of United.

**SPAIN** Lobo Penev scored a hat trick as Celta Vigo crushed Real Madrid, 5-1, on Sunday.

Celta raced to a 3-0 lead in the first 15

minutes on two goals by Penev and one by Mazinho. Real came back, reducing the deficit on a tally by Fernando Morientes. But Celta was able to reestablish its three-goal advantage almost immediately, as Alexander Mostovoi swept home from inside the penalty area. Penev completed his hat trick on 63

## SOCCER ROUNDUP

minutes with a tap-in after Bodo Illgner had blocked a free kick by Haim Revivo.

The two teams started the day even on points in the Spanish first division, and the victory helped Celta move into second place, one point ahead of Valencia, which drew, 1-1, at home against Extremadura. Celta is seven points behind Barcelona, the league leader.

On Saturday, Barcelona gained a scrappy 3-2 victory over Tenerife. Tenerife, which is struggling near the foot of the division, fought back from 2-0 and 3-1 deficits despite having two players sent off in a bad-tempered second half.

Philip Cocu, Rivaldo and Luis Figo scored for Barcelona.

**ITALY** Maurizio Ganz, a second-half replacement, scored the winning goal as AC Milan beat Parma, 2-1, on Sunday to move past Fiorentina and into second place in Serie A. Parma remained in fourth place.

Ganz, who replaced Oliver Bierhoff at the start of the second half, broke clear and then rounded Gianluigi Buffon, the Parma goalie, and scored into an empty net with 19 minutes left.

Milan won for the first time in four games and, in the process, probably wiped out Parma's hopes for a first-ever league title.

**Fiorentina** drew, 2-2, with Bari. Rui Costa scored one goal and set up the other for Fiorentina, which led 2-1 after 72 minutes. But a defensive lapse with two minutes remaining allowed Miguel Guer-

reno, Bari's Colombian striker, to send a rising blast into the net to tie the score.

Lazio, the league leader, was to play its cross-city rival, Roma, in a late game.

**GERMANY** Bayern Munich was booted by its fans after it drew, 1-1, with visiting Schalke on Saturday.

Bayern, playing three days after its hard-fought Champions Cup draw in Kiev, rested six players but kept its unbeaten streak of 19 matches alive.

Bayern didn't earn a corner kick or scoring chance in the first half. But it took the lead in the 49th minute with a goal by the reserve striker Alexander Zickler. When Oliver Held leveled in the 62d, a chorus of boos resounded from the 63,000 spectators in Olympiastadion.

"It was an uninteresting match for the fans," said Ottmar Hitzfeld, the Bayern coach. Bayer Leverkusen beat Frankfurt, 2-1, to cut Bayern's lead in the Bundesliga to 13 points.

**FRANCE** Sedan, a second division team, won 2-0 Sunday at Grand Rouen, an amateur team, on goals by Alex di Rocco and Christophe Bordoni. Sedan, which won the French Cup in 1956 and 1961, is one of three second-division teams in the semifinals. Nimes, which lost to Auxerre in the 1996 final, won 2-0 Saturday against Angouleme at Poitiers on goals from Johnny Ecker and Etienne Mandy. (AP, AFP, Reuters)

## ■ Coachless Nigeria Advances

After host Nigeria lost its final group match, 2-1, to Paraguay on Saturday in the World Youth Cup, national soccer officials immediately fired Coach Tunde Disu. Reuters reported from Lagos.

Nigeria had lost two of its three group matches and seemed to have been eliminated. Two hours later, the coachless team found itself in the second round.

Nigeria advanced after Costa Rica beat Germany, 2-1, which meant that Nigerian qualified and Germany was eliminated.



De Carlo/Press  
Nicky Butt of Manchester United, right, tackling Marc Overmars, Arsenal's Dutch winger, in an English FA Cup semifinal match on Sunday.

**A Flock of Champions Still in Contention on Augusta Fairway**

By Leonard Shapiro  
*Washington Post Service*

**AUGUSTA, Georgia** — The Augusta National Golf Course seemed vulnerable in the third round when journeyman Steve Pate pasted it for a 65 with a record seven straight birdies. But by the time the round had finished, the course had bitten back at some of the game's greatest players, setting up what should be a scintillating final round.

The course caused trouble for Jose Maria Olazabal, who started and finished the day as leader of the Masters.

His deft putting touch from the first two days mostly disappeared in a scrambling round of 73 Saturday and a 54-hole total of 209, 7 under par. His travails allowed a whole flock of players, many of whom with major championships already to their credit, to move into contention.

Greg Norman, at 44 clearly the sentimental favorite after his final-round collapse cost him the 1996 Masters, survived a lost-ball catastrophe at the 12th hole for a brilliant bogey. Then he came back with a final birdie at the 18th to creep within a shot of Olazabal at 210, alone in second place despite his misadventure on the 155-yard 12th.

"I'll give 500 bucks if anyone can go out there and find that ball," Norman said when he had completed his round of 71, salvaged by a 22-foot putt at the 12th after he went back to the tee to hit his third shot. "I have no idea where it was. Never once did I think I'd be 20 yards beyond the green hitting an 8-iron."

Then he added: "But I never doubted I'd make the putt."

Davis Love III, with a 70, and Pate were two shots back at 211, 5 under par.

While Pate was moving up the board with birdies from the seventh through the 13th to put himself in the fray, Love survived a disaster of his own at the 15th hole.

With a sandy lie from the fairway 80 yards from the pin, he watched his third shot spin back into the water and

walked away with a double bogey on the 500-yard hole.

Asked about so many players backing up, Love said: "It's Masters Saturday; it's the conditions. This golf course just gets a little harder all the time."

That costly third-shot swing on the

## MASTERS GOLF

15th took him out of the lead, but he finished with three straight pars in a tournament that his late father, Davis Love Jr., led here in the first round but finished tied for 34th — one day before Davis III was born 35 years ago.

With so many of the halfway leaders backing up, there was also new life for three of the game's young stars: Ernie Els, Tiger Woods and David Duval.

Els, a two-time U.S. Open champion, made an early run up the board and finished with a 69 in a group at 4-under

Open winner, Lee Janzen (who shot a

73), as well as the surprising Carlos Franco of Paraguay (68) and journeyman Bob Estes (69).

Woods finally got himself under par for the tournament with an eagle at the 485-yard 18th hole. He stayed there with another birdie at the 15th that carried him to a round of 2-under 70 for a total of 214, five shots off Olazabal's pace.

Woods said: "The way it looks, I'm right there. In order for me to have a chance, I need to get off to a quick start tomorrow, something in the low 30s and then see what happens on the back."

Duval, the No. 1-ranked player, with

11 victories in his last 34 starts including his last two, also got himself into the mix with a 70 for a total of 215. Six shots might seem a lot for even a player of Duval's considerable skills to make up.

But all he has to do is look back to 1996, when Nick Faldo caught the free-falling Norman from the same margin at the start of the round and went on to prevail.

Two other major champions also were

lurking a lot closer. Steve Elkington, the 1995 PGA winner, had 71 for a total of 213 and was three back along with Nick Price (72), a British Open and PGA champion who recovered from a front-nine 40 to post a 52 on the back side with an eagle at the 13th as well. Colin Montgomerie of Scotland, still without a major title despite dominating the European tour for the last half of the decade, also was three back after a 71.

Olazabal struggled off the tee and hit only 11 greens in regulation. He also needed 30 putts, five more than on his round of 66 on Friday. He did make a spectacular recovery after hooking his drive on 18, hitting a 3-iron over towering trees and onto the green for a dazzling par.

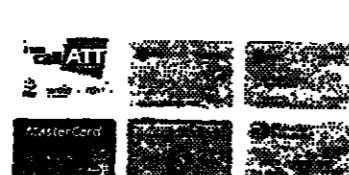
"It was a tough day out there," Olazabal said. "I was actually pretty pleased because I couldn't make a putt all day, completely opposite from yesterday. At the end of the day, 73 is not a bad round."

**(out of the blue)**

You never know where your next business idea will come from. So use AT&T Direct® Service. With the world's most powerful network, you get fast, clear, reliable connections from anywhere. Plus you'll always have the option of an operator who speaks your language. All it takes is your AT&T Calling Card or credit card, and you're well on your way. And now, back to your vacation.

## Steps to follow for easy calling worldwide:

1. Just dial the AT&T Access Number for the country you are calling from.
2. Dial the phone number you're calling.
3. Dial your card number.



## AT&amp;T Access Numbers

Austria	022-903-0111	Greece	00-800-1311	Saudi Arabia	00-800-0111
Belgium	0-800-100-10	Ireland	00-800-550-000	Spain	00-800-00-111
Czech Republic	00-42-008-101	Israel	0-800-99-00-049	Sweden	020-795-0111
Egypt (Cairo)*	010-02100	Italy	00-800-172-1011	Switzerland	0800-85-0011
France	0-800-99-0011	Netherlands	0-800-022-0011	United Kingdom	0-800-85-0011
Germany	0800-2225-288	Russia (Moscow)*	00-800-355-5842		

For access numbers not listed above, ask any operator for AT&T Direct Service, or visit our Web site at [www.att.com/traveler](http://www.att.com/traveler)



It's all within your reach.

Credit card calling subject to availability. Payment terms subject to your credit card agreement. Bold-faced countries permit country-to-country calling outside the U.S. Collect calling is available to the U.S. only. Country-to-country rates consist of the cost of a call to the U.S. plus an additional charge based on the country you are calling. You can call the U.S. from all countries listed above. \*Pay phone deposit. ^Limited availability. \*Calling available to most countries. \*Public phones require local coin payment during the call. \*Dial "02" first, outside Cairo. Additional charges apply outside Moscow. ©Use UK access number in N. Ireland. #If call does not complete, use 0800-013-001. ©1998 AT&T.

bo. 111-15.6